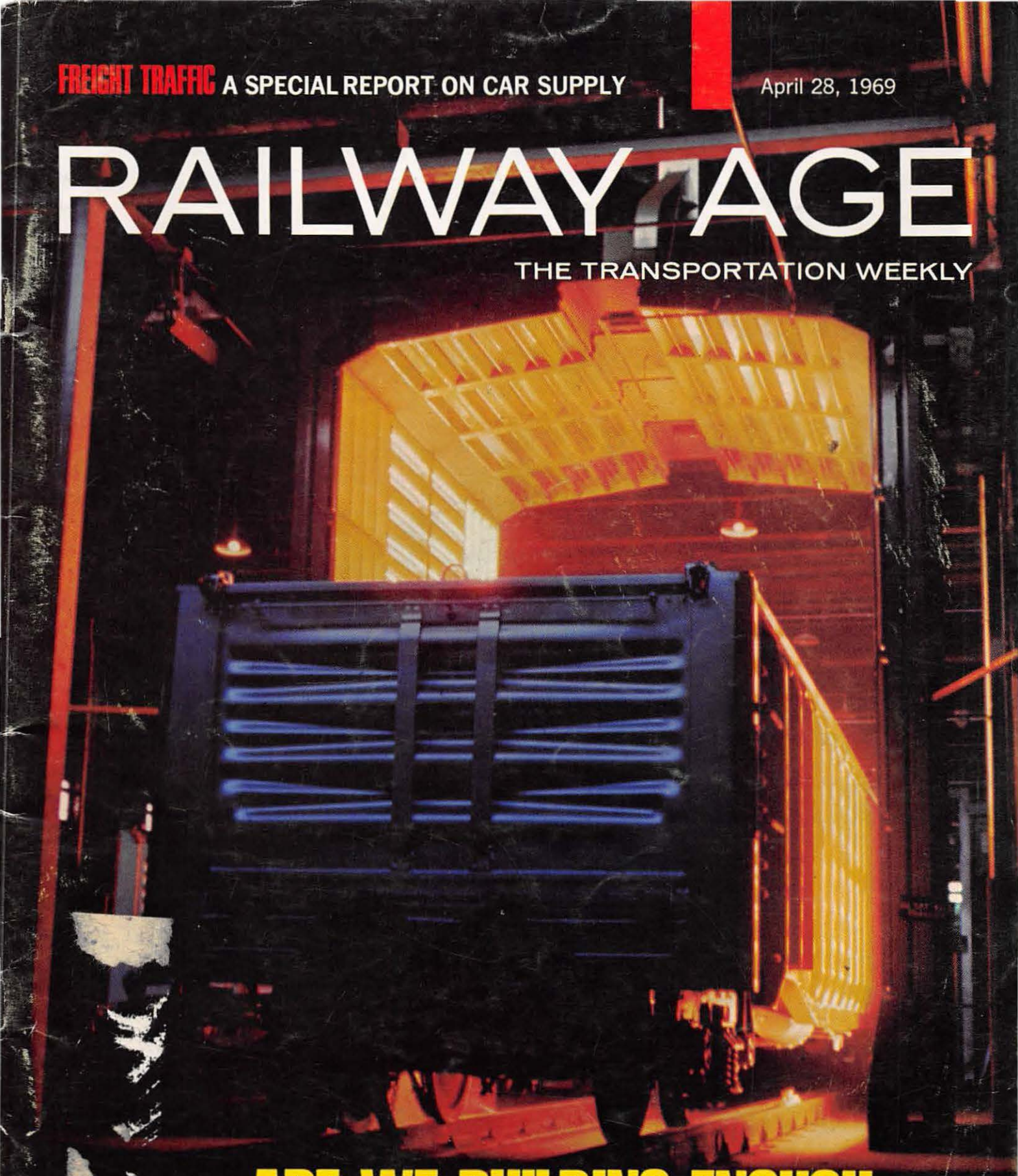
FREIGHT TRAFFIC A SPECIAL REPORT ON CAR SUPPLY

April 28, 1969

RAILWAY AGE

THE TRANSPORTATION WEEKLY



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NATIONAL TRANSPORTATION WEEK MAY 11—17

RAILWAY AGE

April 28, 1969 • Vol. 166, No. 15

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. . . AND COMING NEXT WEEK

Financial strains plagued the San Francisco Bay Area Rapid Transit District for over a year. New sources of funding solved the cash problem, and BART is heading into the home stretch to complete its 75-mile system. The situation will be covered thoroughly in the May 5 issue of Railway Age.

Editorial and Executive Offices
New York, N.Y. 10007, 30 Church St.

ROBERT G. LEWIS: Publisher
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FRED C. MILES: Executive Editor

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Mechanical: Fred N. Houser
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Editorial and Executive Offices
Chicago, Ill. 60604, 14 E. Jackson Blvd.

C. JAMES FISHER: Vice President—Sales
GUS WELTY: Senior Editor
Mechanical: Robert D. Bartley
Engineering:
Merwin H. Dick R. E. Dove
Signaling & Communications:
Robert W. McKnight
Editorial Assistant: Wanda Brown

Washington, D.C. 20004,
National Press Bldg.
Washington Editor: Frank Malone

London, W.C. 2, England, 4, Talbot House; 98 St. Martin's Lane
International Editors:
John Levett

Contributing Editors:
Norman E. Gillespie
3205 Chelsea
Orlando, Florida 32803

Charles Layng
6019 Nashua Ave.
Orlando, Florida 32809

E. L. Woodward
876 Chattanooga Ave.
Pacific Palisades, Calif. 90272

GEORGE DUSENBURY: Editorial Director

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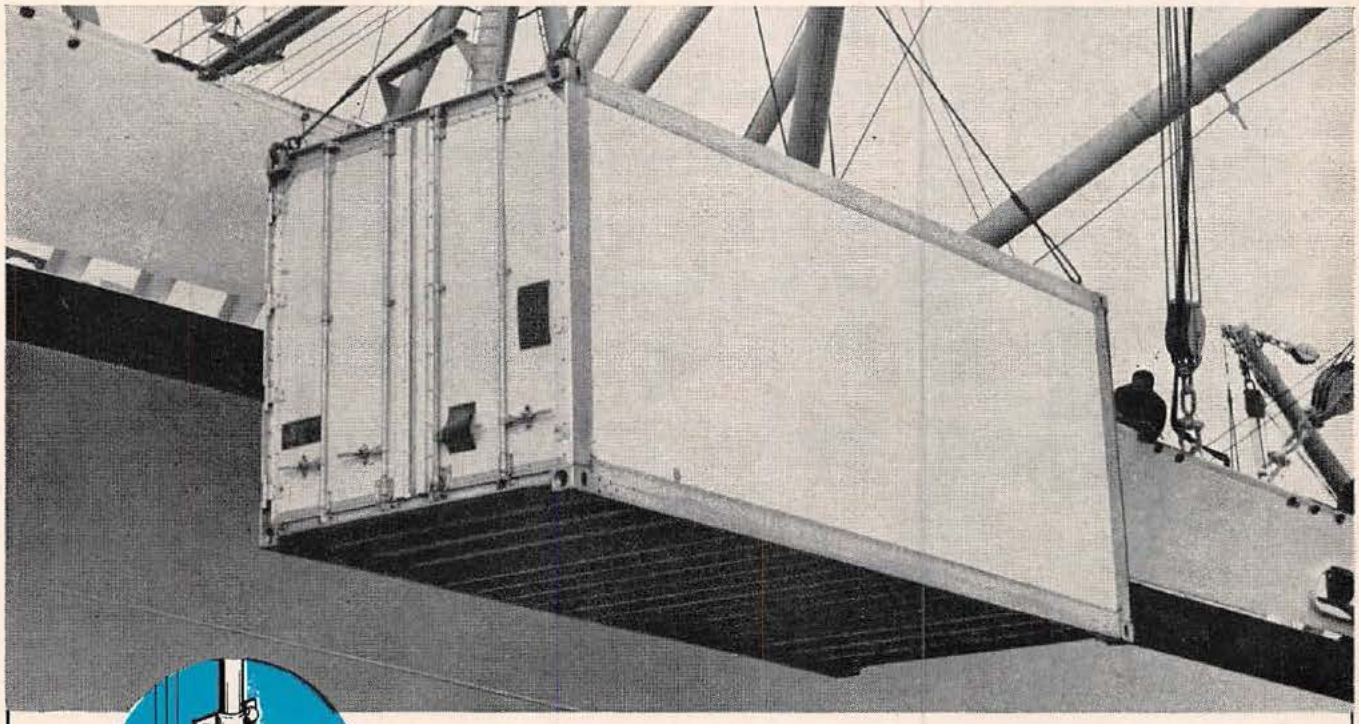

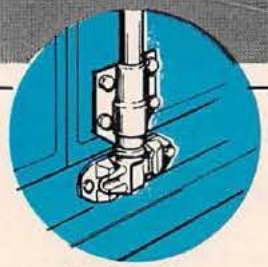

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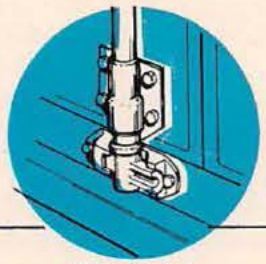

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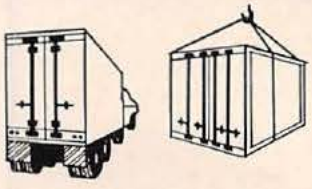

SHORT AND SIGNIFICANT

Rail safety bill gets a boost on Capitol Hill

There has been a small flood of rail safety proposals in the 91st Congress, but last week a bill was introduced with perhaps the strongest backing so far. Senator Vance Hartke (D.-Ind.), chairman of the Senate Surface Transportation Subcommittee, proposed legislation that would give the Transportation Secretary broad powers to "issue rules, regulations and minimum standards for railroad safety, power to enforce such rules, and realistic penalties for violations."

"Super C" is being tested as mail hauler

Santa Fe's "Super C" piggyback train, operating both ways daily between Chicago and the West Coast, has been selected by the U.S. Post Office Department for participation in an eight-week study of bulk-mail and parcel post transportation. The experiment, which started April 23, involves movement of some 15 to 20 dry-van trailers on each of the two runs originating daily between the terminal points, according to John T. Donohue, director of the transportation division in the Post Office Department's Chicago region.

Volpe names task force on rail safety

Seeking a "thorough examination by experienced people" of how to address the rail safety problems that everyone admits exist, Transportation Secretary John A. Volpe has named a special task force to report on rail safety "at the earliest possible date." Named chairman was Reginald N. Whitman, Federal Railroad Administrator. Rail, labor, and public representations are included on the task force. Their goal is to identify priorities after examination of problems and review of present federal programs.

Signalmen approve wage agreement

General chairmen of the Brotherhood of Railroad Signalmen have ratified a wage agreement which provides a couple of plus factors beyond the recommendations of an emergency board (RA, April 21, p.9). The board proposed a 20-cent-per-hour adjustment retroactive to July 1, 1968, for skilled employees; the BRS got 22 cents. The board made no adjustment recommendation for other, or semi-skilled, employees; but the final settlement gives them a 9-cent-per-hour adjustment, also retroactive to last July 1. All employees will get the pattern general increase, 3½% retroactive to last July 1, 2% retroactive to Jan. 1, 1969, and 3% effective July 1, 1969.

Distribution center opens on C&O main line

A 210,000-sq.-ft. consolidating distribution center has been opened in Fostoria, Ohio, on the main line of the Chesapeake & Ohio. The Fostoria Distribution Services Co., as the center is named, will "receive virtually trainloads of dry foods, hold them temporarily and after consolidation, ship out smaller quantities to grocers as they order them, eliminating the need for extensive storage facilities at point of use," said Ronald Peck, the center's general manager. Two rail tracks inside the center can handle thirty 50-ft boxcars at a time. Almost all incoming shipments and about 80% of the outgoing are handled by rail, the remainder by truck. An additional 200,000 sq. ft. of building is being considered for future expansion.

Landbridge plan gets big push in Canada

Canadian National container traffic is fostering the development of container terminals, technology, and container handling know-how in Canada, according to R. E. Lawless, CN's general superintendent of express. These developments, he added, have become additional reasons for using Canada as the container landbridge between Europe and Asia. Lawless noted that the volume of import-export containers moving over CN lines will reach the 1,000 units-per-week level shortly and that CN is now negotiating with Japanese shippers for movement of their containers between Europe and Asia.

MONDAY MORNING REPORT

MR. NIXON CHANGES HIS MIND

President Nixon's surprise tax package may well go down in economic history as a Pandora's box. That certainly is the view of many railroaders, whose modernization program would be hurt by loss of the 7% investment tax credit. But there was no doubt last week that the President's package was a popular one, politically, and the big question was not whether the tax credit would be repealed—but how the effects of repeal might be eased.

MENK MAKES A CASE FOR EXEMPTION

In telegrams to President Nixon and Transportation Secretary John A. Volpe, Northern Pacific President Lou Menk sought to acquaint the Administration with some harsh facts of railroad economic life: "The railroad industry, by its very nature, is a high capital cost industry. Due to extremely low rates of return, we have not been able to generate funds to modernize plant and equipment. The car supply situation, now critical, will be severely aggravated and the shipping and consuming publics will suffer as a result of our inability to purchase freight cars if the investment credit is repealed."

SOME ROOM FOR OPTIMISM

Despite earlier reports that no exemptions stood a chance, there was reason for cautious optimism as Congressional hearings went into their second day. On Wednesday, April 23, Rep. Al Ullman (D.-Ore.) mentioned the special problems facing the capital-starved transportation industry and asked if an exemption might not be in order. The Treasury witness did not rule out the possibility.

THERE ARE OTHER WAYS

Whatever the final decision on exemption, the time was clearly ripe to make a quick and strong case (as Menk did) for railroad relief of some kind. Even if the repeal bill passes without exemption, there are other avenues of help—liberalized depreciation guidelines, for example; or a construction reserve fund. This could be what railroads ultimately go for. As J. W. Henderson, Jr., president of Buckeye International and chairman of the Railway Progress Institute, put it: "It is imperative ... that action be taken through some form of tax relief or by other means to give the railroads the financial ability to continue the growth and modernization of railroad systems so vital to the nation." Retention of the tax credit would be the logical way to accomplish this; but in the final analysis, what is done is more important than how it's done.

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WEEK AT A GLANCE

Penn Central reports railroad loss for quarter

Penn Central's parent railroad company operated at a net deficit of $12,764,000 in this year's first quarter. This compared with a profit of $1,026,000 during the corresponding 1968 period. The railroad company's operating revenues in the first three months of 1969 were $405,952,000, up from $382,181,000 in 1968. But costs rose at a steeper rate. Total expenses, taxes and rents in the 1969 period were $416,046,000, compared with $385,113,000 in 1968.

On a consolidated basis, the Penn Central Company reported earnings of $4,601,000 for this year's first quarter, which included for the first time its operation of the former New Haven (merged into PC Dec. 31, 1968). For the same period last year, Penn Central had consolidated earnings of $13,388,000. Penn Central's statement noted that during the 1968 first quarter, the New Haven reported a loss of $6,500,000 "as it was then structured."

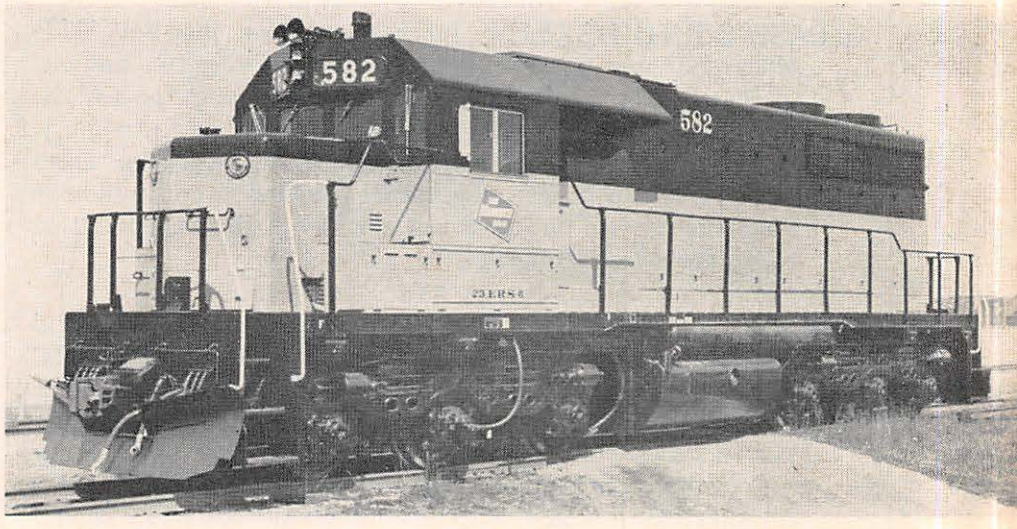
Said PC Chairman Stuart T. Saunders: "Our increased costs reflect continued rises in wages and materials, the impact of implementing the Penn Central merger and inclusion of the New Haven. We have chosen to absorb high initial costs in order to achieve more quickly improved service and cumulative merger economies."

LIRR-UTU committee is recommended in rules dispute

A Presidential emergency board last week said the Long Island and the United Transportation Union should form a joint union-management committee to settle a dispute of the railroad's attempt to modernize work rules. This committee should study present rules and adjust wages to distribute equitably whatever savings would accrue from rules changes, the board said. Also recommended was a general wage increase, without mention of size, to compensate for rising living costs in metropolitan New York—in a new contract running two years from Jan. 1, 1969. The board was appointed by President Johnson Dec. 27, 1968. If there is no settlement by midnight, May 22, the union is free to strike.

New from EMD: A six-motor "lightweight"

SDL/39 is a new designation in the EMD locomotive catalog. Like the SD/39, the new unit is a six-axle, six-motor locomotive, rated at 2,300 hp. But the SD/39, weighs in at 356,000 pounds—and the SDL/39, with lightweight underframe and lighter-weight truck design, will weigh only 250,000 pounds. B. B. Brownell, GM vice president and EMD general manager, noted that with introduction of the SDL "we are able to offer to the American railroads the greatest selection of models to meet their motive power requirements in our history." The first five SDL/39 units will be delivered to the Milwaukee Road for branch-line service.



GUS WELTY

LINES ON LABOR

THERE'S ONLY ONE uncomplicated way to view the recent unpleasantness between the United Transportation Union and Illinois Central: The UTU won, and IC lost. The UTU won back a lot of jobs, and a lot more are up for grabs in negotiation. And IC? On the surface, about all IC won was time—time and whatever dollar value can be placed on the many months during which the road was able to operate with reduced crews.

THE PROBLEM IS that it's almost impossible to uncomplicate the UTU-IC situation. And he who takes a simple, surface view does so at his own risk—which is considerable. In weeks and months of UTU-IC conversations, far more was involved than just crew-consist. In a way, top UTU people were getting an intriguing look into the future.

PECULIAR CIRCUMSTANCES kept cropping up. UTU's battle was with a handful of roads. IC and Louisville & Nashville were the most important, on a jobs-involved basis. But the union, with its choice of roads to strike, hit the tiny Belt Railway of Chicago. When pressures mounted. UTU called another walkout—against L&N, not IC. An emergency board told all concerned to go back to bargaining, and L&N settled rather quickly after being hit by a second strike. Then Belt felt renewed pressure, and Belt settled. *Finally*, and while talks were still going on, the UTU struck Illinois Central.

A CASE COULD BE MADE for the suspicion that top UTU leadership was less than eager to break with IC—not out of fear of losing, certainly, but out of consideration for the other matters involved in the talks. The IC strike, when it came, seemed to be one dictated not from the top but from below, with concurrent pressure applied from mid-level union leadership on other roads which had already settled other crew-consist battles.

PERHAPS IT WAS TOO MUCH to expect that meaningful steps toward the future could be taken by UTU and IC while the emotionally-charged consist issue blocked the way. Perhaps some progress can now be made on the bigger issues. UTU people should be hoping that by winning a skirmish—crew-consist—they haven't lost a war, a war for survival in which railroads and employees really should be fighting on the same side. And if IC and the UTU need a motto for their battle flag, how about this one: "Let us not look back in anger nor forward in fear—but around, in awareness."

ACV tests due by 1972; design proposals sought

Transportation Secretary John A. Volpe hopes to have a tracked air-cushion vehicle (T/ACV) built and ready for testing on a 20-mile oval guideway by 1972. Volpe announced last week that contracts have been invited to submit engineering design proposals for the 300-mph T/ACV and its test track. DOT's timetable calls for completion of engineering designs by mid-1970, and completion of construction by mid-1971, with full-scale testing to start early the following year. Turbofans and linear induction motors will be tested as possible power units. Three recently completed preliminary design studies—made by Grumman Aircraft, General Electric, and Aeroglide Systems, Inc.—will be made available to interested bidders. Volpe sees T/ACV as a possible vehicle-of-the-future for airport access and for intercity travel. The program is under the direction of the Federal Railroad Administration's Office of High Speed Ground Transportation.

T/ACV work is already far advanced in France, where the government is underwriting a full-scale test of Jean Bertin's Aerotrain. There is also interest in Japan, where it is felt that air-cushion vehicles will replace conventional trains within 20 years.

A job to be done—and Santa Fe does it

That basic capability of the railroad to take the awkward, the massive load and move it long distances, safely—that was the capability that Santa Fe demonstrated once again in helping to build a new $38.7-million, two-mile-long bridge across the bay between San Diego and Coronado, Calif. The railroad's role was to move 41 prestressed concrete approach girders—each 137½ feet long and each weighing about 63 tons—over 109 miles between the producer's plant at Santa Fe Springs and the bridge-building site. Fourteen train movements were involved; each of the huge girders spanned three flat cars. To insure safe handling, Santa Fe limited train speed to 30 mph; meets and passes were prohibited on certain curves. And the total shipment—2,562 tons of prestressed concrete—was handled without damage in transit.

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Ted Heller, Market Manager, Government and Construction Traffic, Great Northern Railway

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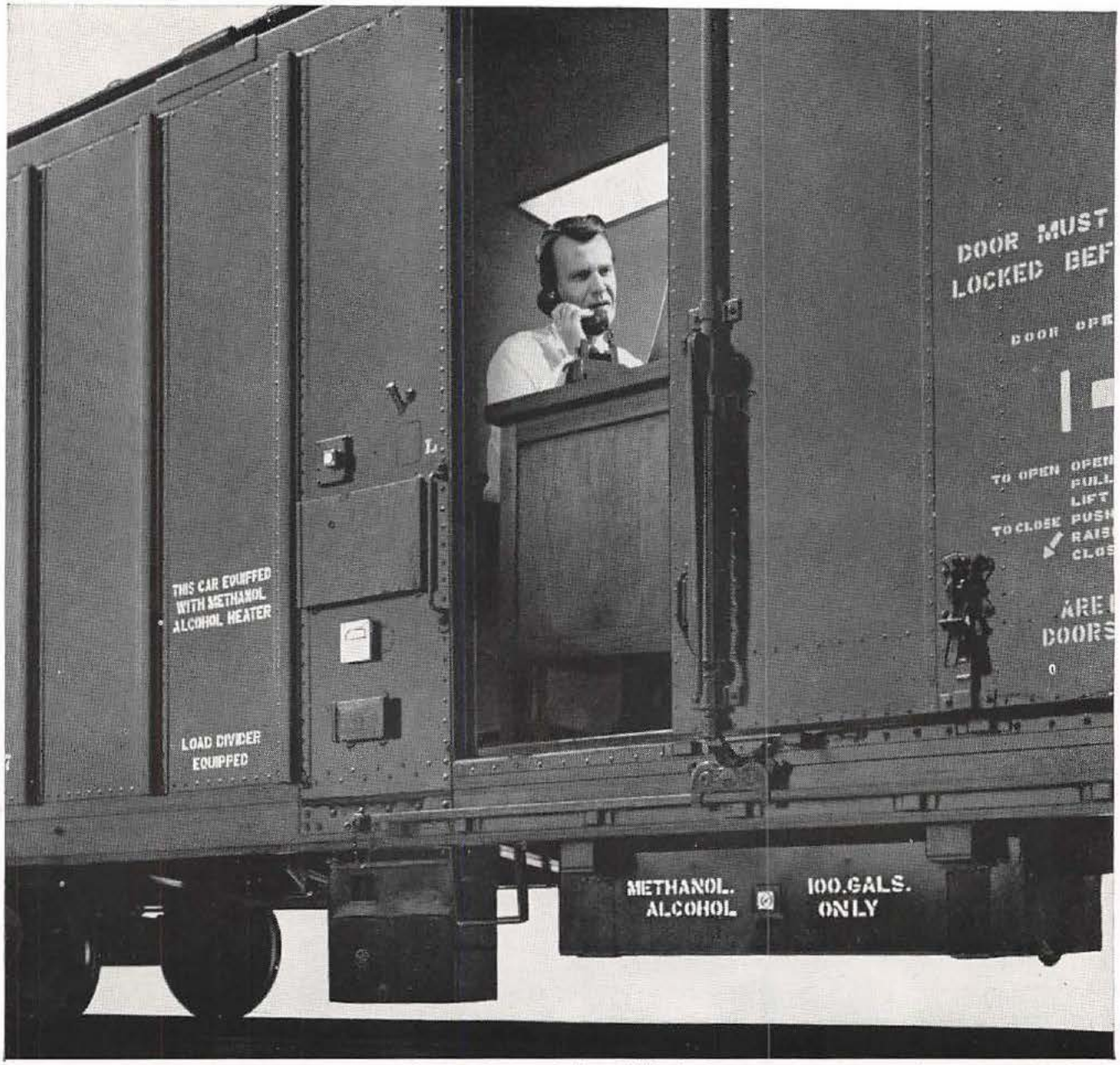

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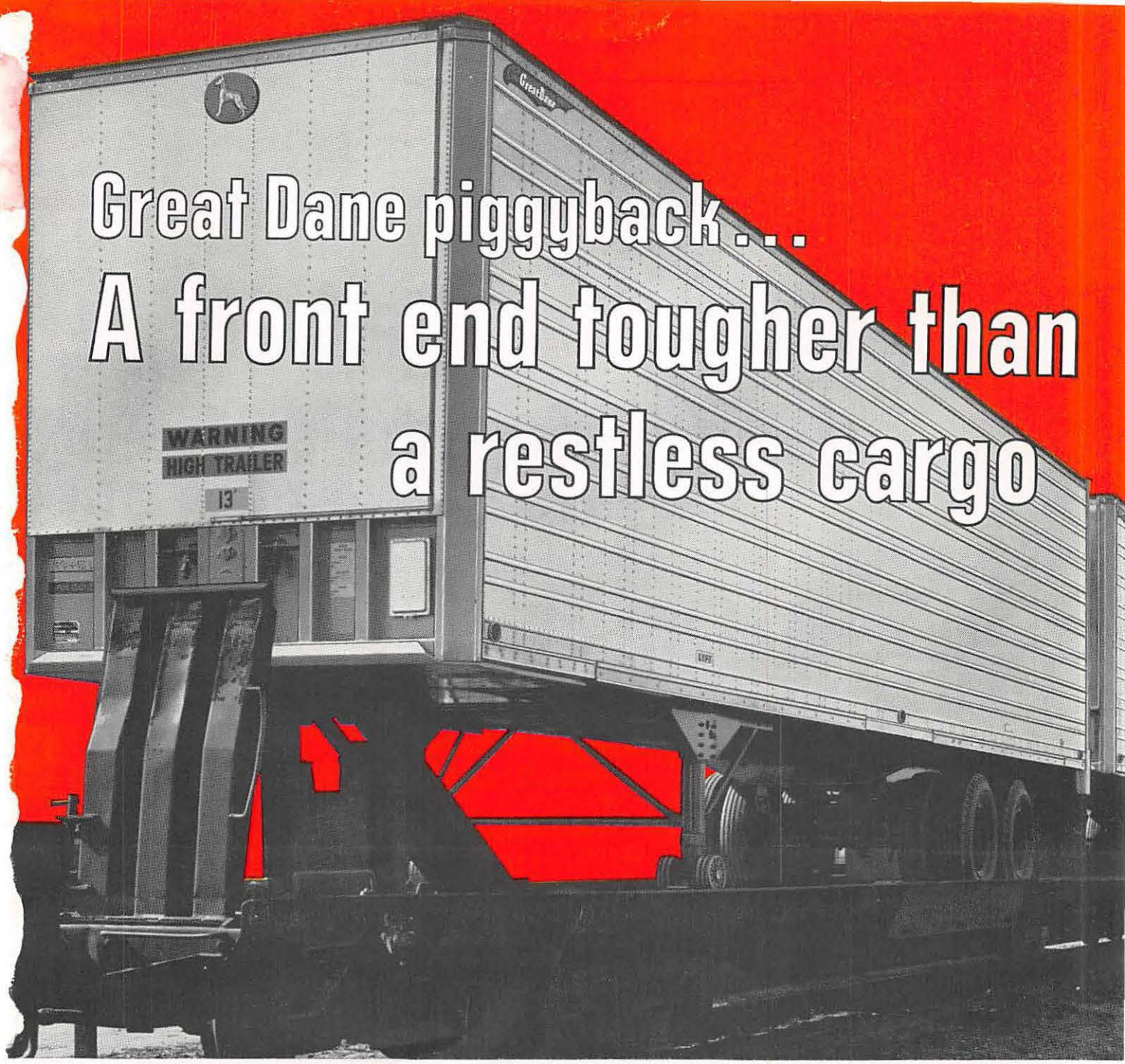

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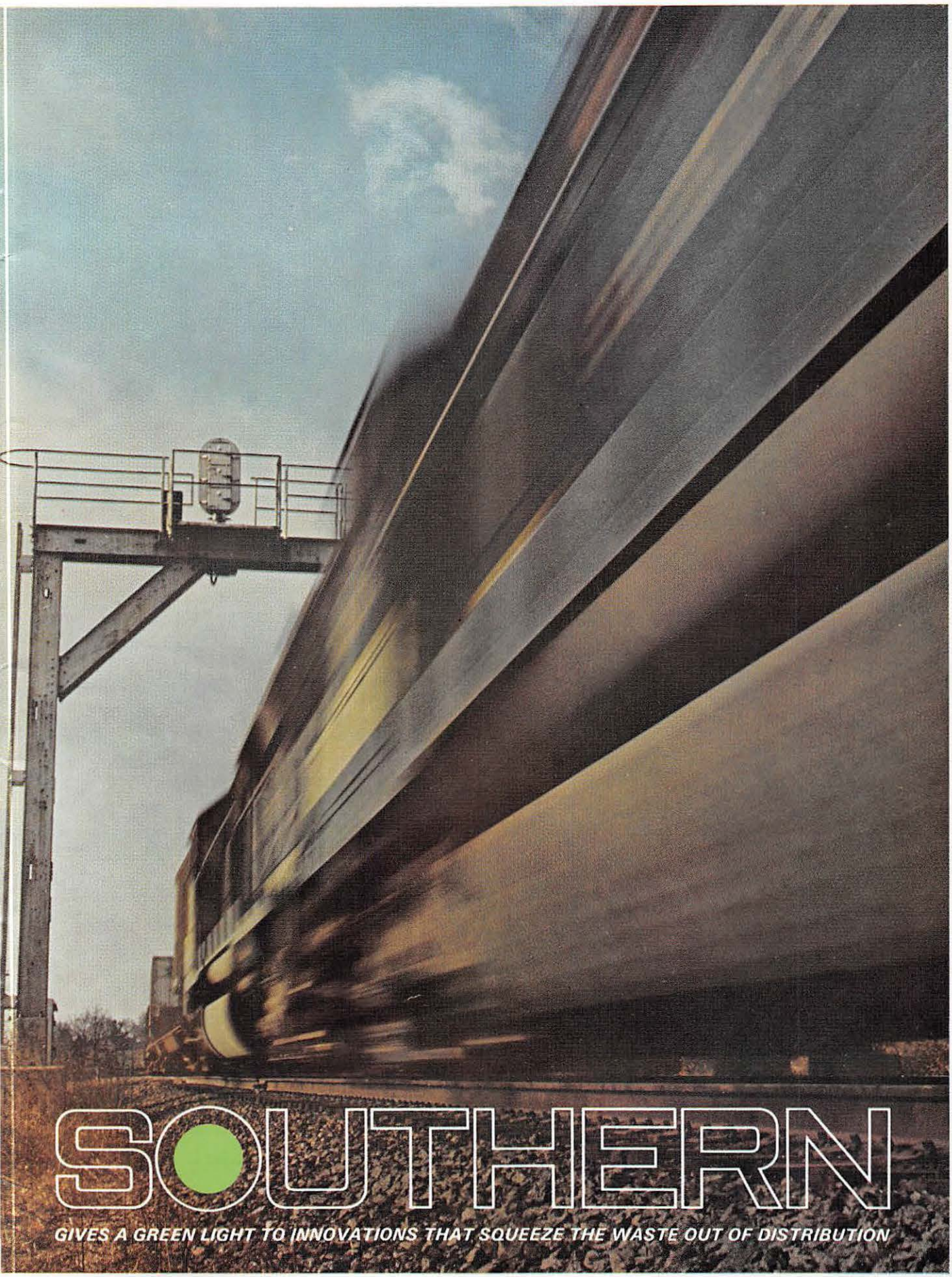
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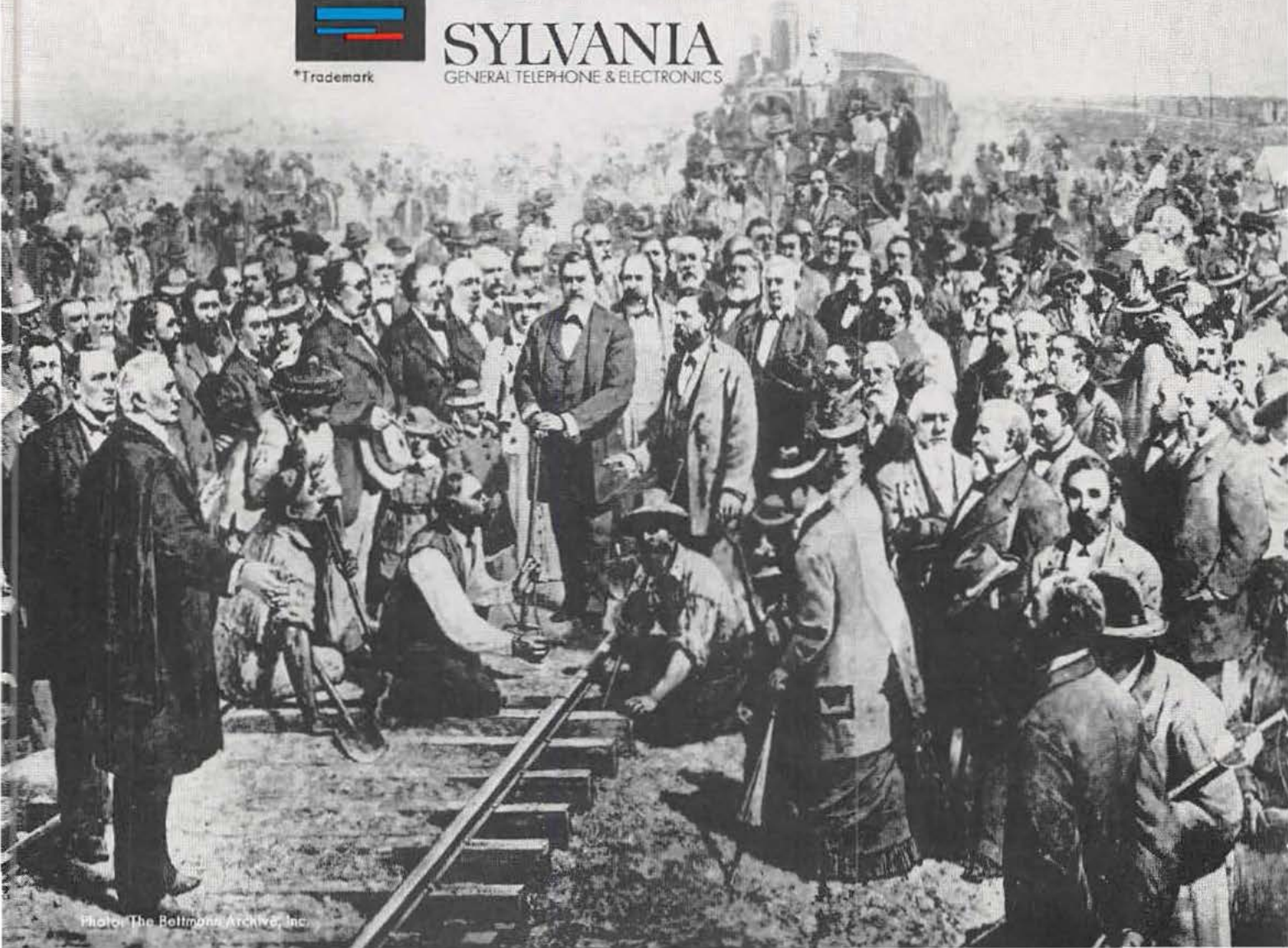

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All three are non-toxic, and impart no odor or taste to commodities. They have outstanding flexibility and resistance to abrasion. They are non-porous and chemically inert; easily cleanable with steam or hot water, they provide unusual durability and economy.

The chart below shows the distinctive characteristics of all three systems. For further details, mail the coupon below.

	Original POLYCLUTCH® Liner	Double Cover POLYCLUTCH® Liner	PITHANE® Urethane System
Surfaces for which recommended:	Steel, Aluminium, Concrete	Steel, Aluminium, Concrete	Steel, Aluminium, Wood (clear only)
No. of Coats:	3	1	2
Finish:	Gloss	Low Lustre	High Gloss
Color Choice:	White, Blue	White, Blue	White, Blue, Clear, pastel colors
Application Technique:	Conventional or airless spray, hot or cold	Conventional or airless spray, hot or cold	Conventional or airless spray, hot or cold
Cleaning Method:	Clean with hot water or steam	Clean with hot water or steam	Clean with hot water or steam
A partial list of commodities protected by these systems:	Alfalfa (dehydrate) Alumina Ore Ammonium Nitrate Bauxite Bentonite Bisphenol "A" Borax Boric Acid Brewers Grits Carbon Black Cement Clays (various) Corn Cones Cottonseed Meal Diatomaceous earth Flour Gypsum Calcined Hydraulic Lime Iron ore Malt Mill Feed Milo Para Formaldehyde Powder Phosphate Rock Polyethylene Pellets Polypropylene Pellets Polystyrene Pellets Potash Rice Roofing Granules Sodium Tripoly Phosphate Soybeans Soybeans Meal Starch Sugar (cane & beet) Sulphur Tetra Sodium Pyro Phosphate Vinyl Plastic Resins		

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This is only a fraction of what we're doing to help railroads deliver the messages that help deliver the goods.

And every system, every piece of equipment, is fully backed by our total support services. For more information, call 716-482-2200. Or write Railroad Division, 100 Carlson Road, Rochester, N. Y. 14603.

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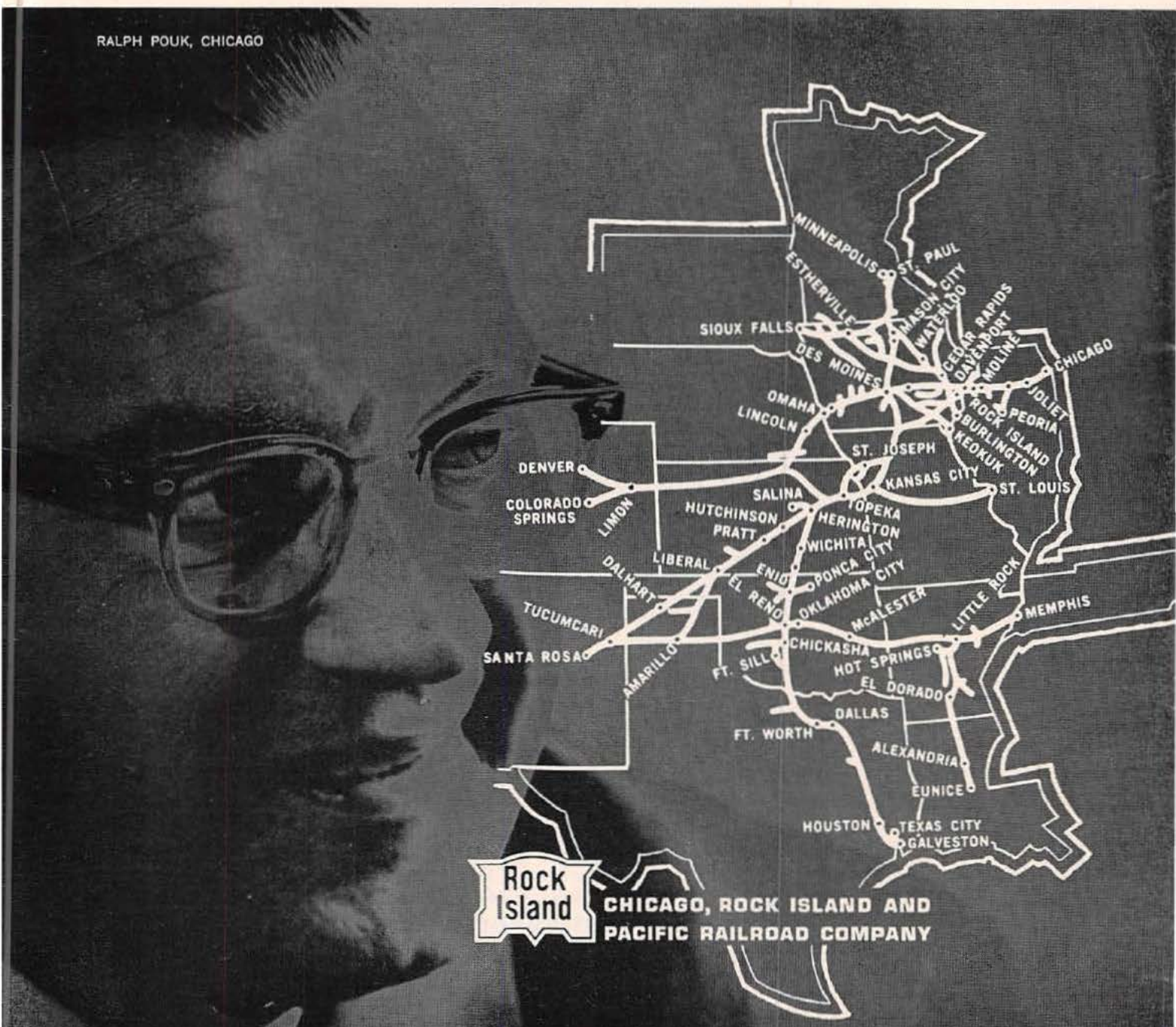

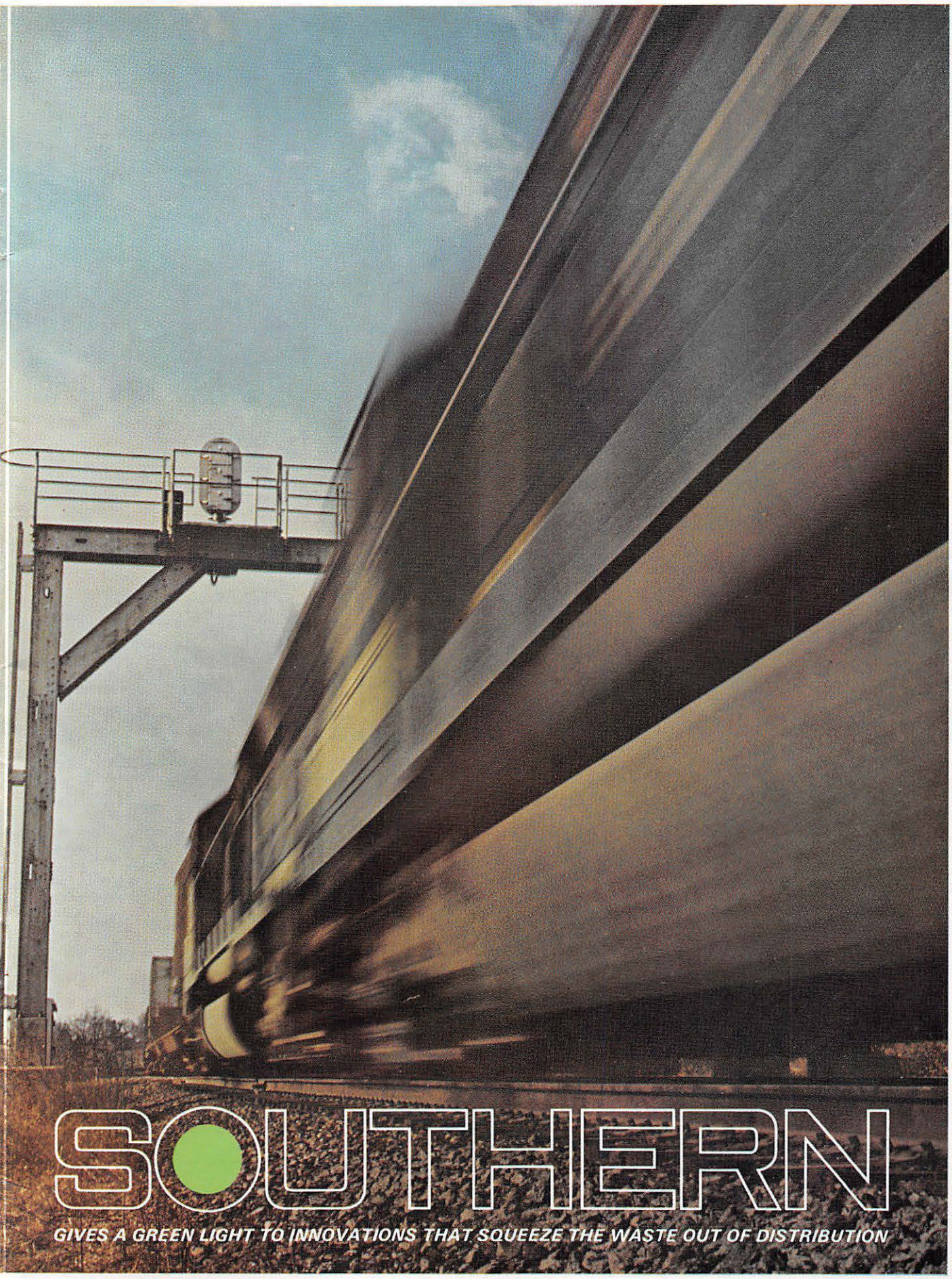
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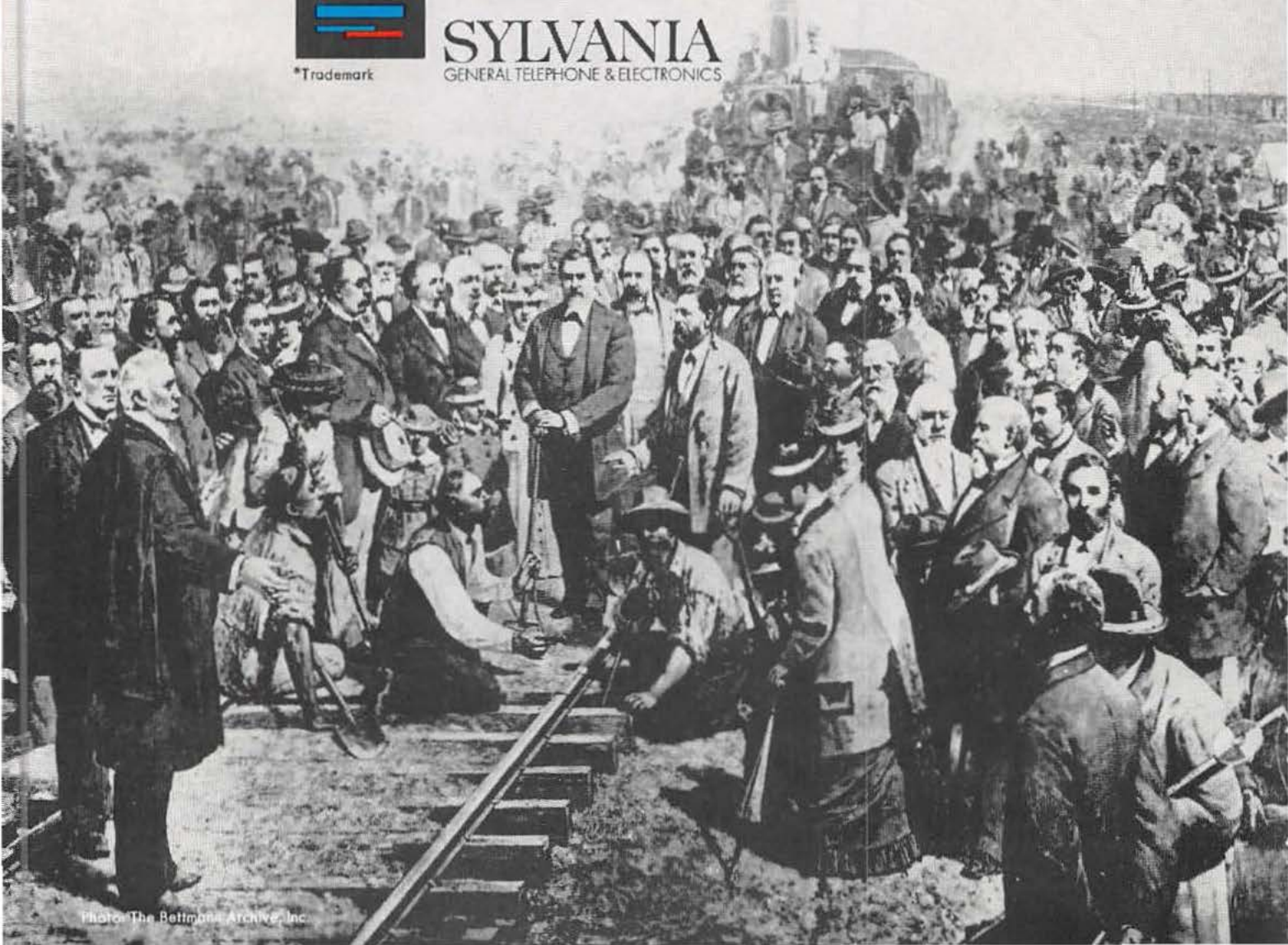

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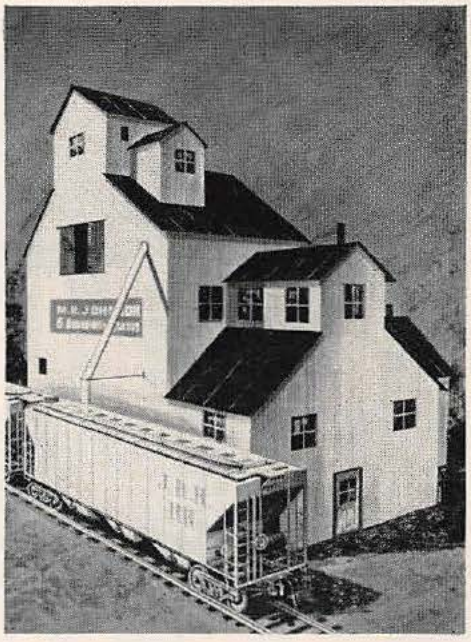

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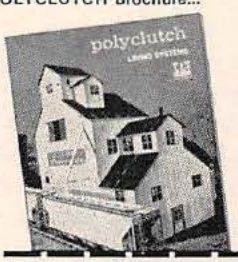

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NATIONAL SUPER C-1 WEDGELOCK

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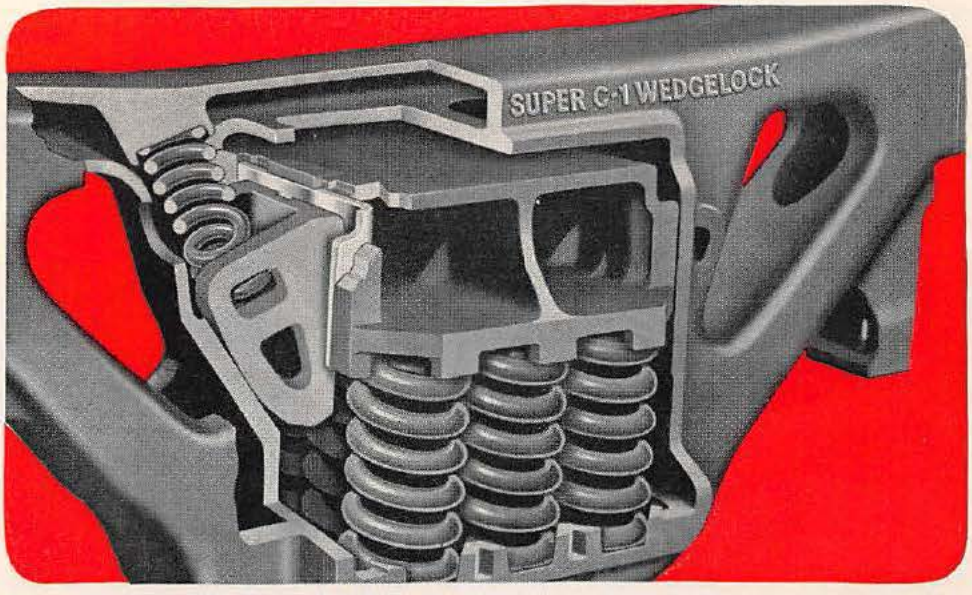

National Super C-1 Trucks are A.A.R. Approved

Important design evolution: Rather than accomplishing the interlock between bolster gib and sideframe columns, Super C-1 provides this connection between wear plated bolster wedge shoulder and fail-safe hardened wedge. This Wedgelock feature also reduces out-of-squareness (parallelograming) approximately 25%, thus decreasing wheel flange wear rate. Increased lateral movement of Super C-1 bolster is possible due to near-elimination of bolster gib and frame column contact. The lateral built into Super C-1 Trucks equals total lateral obtained in integral box type trucks using plain bearings. Super C-1 ride is smoothed substantially through selective snubbing control without need for any auxiliary devices. Lateral contact surfaces, more than one quarter larger than on any other truck, greatly reduce wear and increase service life. 500% increase in bearing areas of bolster end sides and frame column surfaces limit bolster rotation. Reclamation, if ever necessary, involves replacement of L-shaped wear plate without weld build-up on bolster gibs and frame columns.

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RALPH POUK, CHICAGO

Gossage outlines CP growth

Canadian Pacific has long since attained the status that U.S. railroads only aspire to: it is a genuine transportation company. In an April 16 talk at Montreal, CP Vice President S. M. Gossage described how it all came about.

"Originally we were a railway," he said. "In the transportation field we are also an express company, a trucking company, a steamship operator and an airline."

Canadian Pacific, Gossage said, undertook to build a railroad across Canada at the time of the confederation of the Dominion of Canada and the Province of British Columbia. To aid in earning revenue, CP started an express company and built hotels, "first to feed passengers, then to attract them." During the construction period, CP operated steamships on the Great Lakes and in 1899 started a trans-Pacific service designed to carry mails from Great Britain to the Orient. As part of the earliest version of the land bridge, it was two days faster than the route via Suez.

"A communications system was a necessary part of the railway," said Gossage, "and it was a natural step to provide commercial service as the wilderness became settled." CP is now engaged in all types of modern telecommunications.

In order to build a railway line through southern British Columbia, CP had to buy certain charter rights, and in doing so became the owner of a smelter. The addition of other mining properties left CP with a controlling interest in what is now known as Cominco Ltd., the world's largest producer of lead and zinc.

"In 1919," noted Gossage, "we obtained rights to operate airlines and in 1924 CP Transport was charted with rights to provide road service for passengers and freight."

The development of oil in western Canada in 1947, and later on the discovery of gas, greatly enhanced the value of the company's lands on the prairies. But "we were still basically a railway company with valuable ancillary interests. A series of major freight rate cases brought public discussion of the whole structure and purpose of the company. The resultant analysis led to a policy of the full development of CP's assets in all fields," said Gossage. ■

LUTHER MILLER

AS THE EDITOR SEES IT

INCONSISTENT SHIPPERS—A few weeks ago Railway Age asked freight shippers what they thought of the railroad industry's request for passenger-train subsidies. E. L. Tennyson, Philadelphia's City Transit Engineer, found the results of this poll (published March 31) worthy of morose comment: "A majority of shippers say that trains that can't pay their way should be abandoned. I would like to ask these shippers if highways, barge lines, and airways should also be abandoned?"

IT'S RHETORICAL—Mr. Tennyson knows full well the answer to his question. Shippers are like everybody else. They're against government subsidy—unless they can get a chunk of it. So it's more sad than surprising that some very big shippers—who never miss an opportunity to point out that railroads are failing to give them an adequate car supply—are nonetheless very quiet when the question arises of making the railroads' competitors pay their own way. If compensatory user charges were slapped on the bargelines, that "cheap" water transportation might not be so cheap, after all. The same thing, to a lesser degree, can be said of highway and airway transportation. Most shippers use waterways, highways and airways in one way or another. Some benefit hugely from government subsidization of these modes. And the very biggest of them—those who wave highest the banner of free enterprise—would have it no other way.

NEW CHAPTER, OLD STORY—A late tabulation shows that government spending for highway, water and air transportation facilities will reach a record $20.5 billion in fiscal 1969. Not all of this—not even most of it—should be charged against commercial users. But every Administration since FDR's, Republican and Democrat alike, has contended that these users are paying far less than their share. If present proposals are accepted, waterway users will pay $7 million a year in the form of a tax on now-untaxed fuel; truckers would pay an additional $241 million; airway users would ante up an extra $154 million. There is, of course, little chance that these proposals will become reality, considering the power of the lobbies opposing them, plus the fact that much of big business fails to throw its own weight behind them. But it's never too late to join a good fight. Would any shippers—especially those so sternly insistent that passengers pay their own way—like to extend this lofty principle to the users of publicly provided transportations?

Are we building enough

By FRED HOUSER
MECHANICAL EDITOR

The answer is clearly no—nor are we keeping the present fleet sufficiently busy. Railroads are tackling the problem on both fronts; but proposed repeal of the investment tax credit clouds the picture.

With the aggregate capacity of the American freight-car fleet up nearly 10% in five years and its numbers virtually unchanged, the growing complaints from shippers and ICC actions to improve car supply seem somewhat inconsistent. But this month's Traffic Poll (see page 31) confirms the warnings of most shipper groups that the car supply problem is worsening.

There are two ways to relieve equipment shortages: through increased purchases of new equipment (and the railroads, even in bullish buying periods, are still far away from the 100,000 new cars a year that many industry economists think should be the minimum); and through heavier utilization.

President Nixon's announcement last week that he would seek repeal of the 7% investment tax credit clouded the car-buying picture. As AAR President Thomas M. Goodfellow pointed out, this credit during its seven years of life has meant "a tax saving of $327 million for major railroads of the country, enough to provide the 20% down payment on more than 100,000 freight cars, or 6,000 locomotive units."

One thing was clear last week: Repeal would be the lesser of two evils. It would represent long-range, no-turning-back policy. Suspension, on the other hand, would merely encourage the delay of orders.

In any case, the delivery of new cars won't immediately be effected. Most car-builders already have healthy backlogs that will keep them busy into the fourth quarter or even into 1970.

George Green, president of Pullman-Standard, the nation's largest carbuilder, expects there will be "a definite slow-up" in new-car orders probably until November, when President Nixon's tax reform bill is due. But Green remains optimistic for the long run.

"Net income and tight money are restraints on buying, but it's ton miles that create the demand for new equipment. If ton miles keep going up, railroads are going to have to buy equipment; they can't just sit on the sidelines waiting," Green told Railway Age last week.

Green feels that his earlier prediction of 73,000 new cars built this year will hold up, despite the uncertainty about new cars ordered.

● **Greater utilization.** The other major factor in the equipment picture is utilization—and this is an internal problem for railroads and their customers.

Two months ago the AAR kicked off a special program aimed at improving car utilization by reducing delays at origins, destinations and interchanges (RA, Feb. 24, p. 7). The importance of this activity, "a cooperative effort among the AAR, individual railroads and shippers," is indicated by its three-president steering group: Penn Central's A. E. Perlman, Burlington's W. J. Quinn, and RF&P's Stuart Shumate. The field force of AAR's Car Service Division is devoting much of its time to this utilization drive.

● **Dual responsibility.** At last month's Grain and Feed Dealers National Association convention, ICC Commissioner George M. Stafford made a case for dual responsibility in the current car situation. "It is incumbent upon the railroad industry—all of the railroads—to build, repair and maintain a car fleet adequate to meet the needs of the shipping public," he asserted. "All efforts must be focused on obtaining maximum utilization of the available fleet." He added that carriers must educate shippers on the importance of cleaning cars after unloading, acquainting them "with the impact which failure to do so will have on the carrier's ability to furnish shippers suitable cars pursuant to their orders."

Justifying ICC's recent action in raising demurrage, Stafford pointed out that "shippers, by promptly loading, promptly unloading and promptly releasing unneeded cars, can do much to alleviate the pressures that exist in time of car shortage. Shippers should realize that while a common carrier has an obligation to provide the car facilities for transportation, it has no obligation to store the shippers' inventory in freight cars." Work stoppages and flood disruption did cause ICC to postpone the effective date for higher demurrage to May 1.

● **Mainly box cars.** The RA Poll indicates, and recent ICC actions confirm, that probably the most pressing shortage currently is in box cars. Some of these are far from routine. Confronted with flood threats in recent weeks, county elevators in the upper Midwest set off a flood of their own—a flood of car requisitions intended to empty their grain storage facilities in advance of rising waters.

Simultaneously, winter wheat shippers were appealing to government for more box cars and covered hoppers (reflecting the new shipping trend) to handle their grain from Missouri, Kansas, Colorado, Nebraska, Oklahoma and Texas. Over a hundred million bushels of Commodity Credit Corp. wheat, shippers claimed, would require 50,000 box cars immediately.

Early in February it had been box cars for lumber shipments which drew the attention of the ICC and the White House. Service Order 1020 covering 40-foot, and longer, XM box cars with 8-foot, and wider, door openings, all 50-foot XM cars, and all cars having plug doors was applied to equipment of the Bangor & Aroostook, Great Northern Illinois Central, Maine Central, Northern Pacific, Southern Pacific, and Union Pacific. Required was direct, empty movement to the owner roads. Subsequently, the requirements, somewhat modified, were applied to all cars, regardless of owner.

The White House issued a statement explaining the need for these cars: "There is currently a price squeeze, caused in part by the box car shortage, on lumber and plywood which is contributing to increased costs of housing construction." The box cars involved, it was explained, are needed primarily to move lumber and plywood from the Pacific Northwest to other parts of the nation.

freight cars?

● **Policy or expedient?** Now that the car shortage has become a matter of national concern, it is interesting to review some of the precedent for the current situation.

Many of today's car problems are traceable back to the day, 18 months ago, when the investment credit was suspended. Repeal, as everyone said at the time, was something the car-building industry could have lived with; suspension meant that railroads were told, in effect, "If you'll stop buying for a few months, you can get cars at bargain prices later."

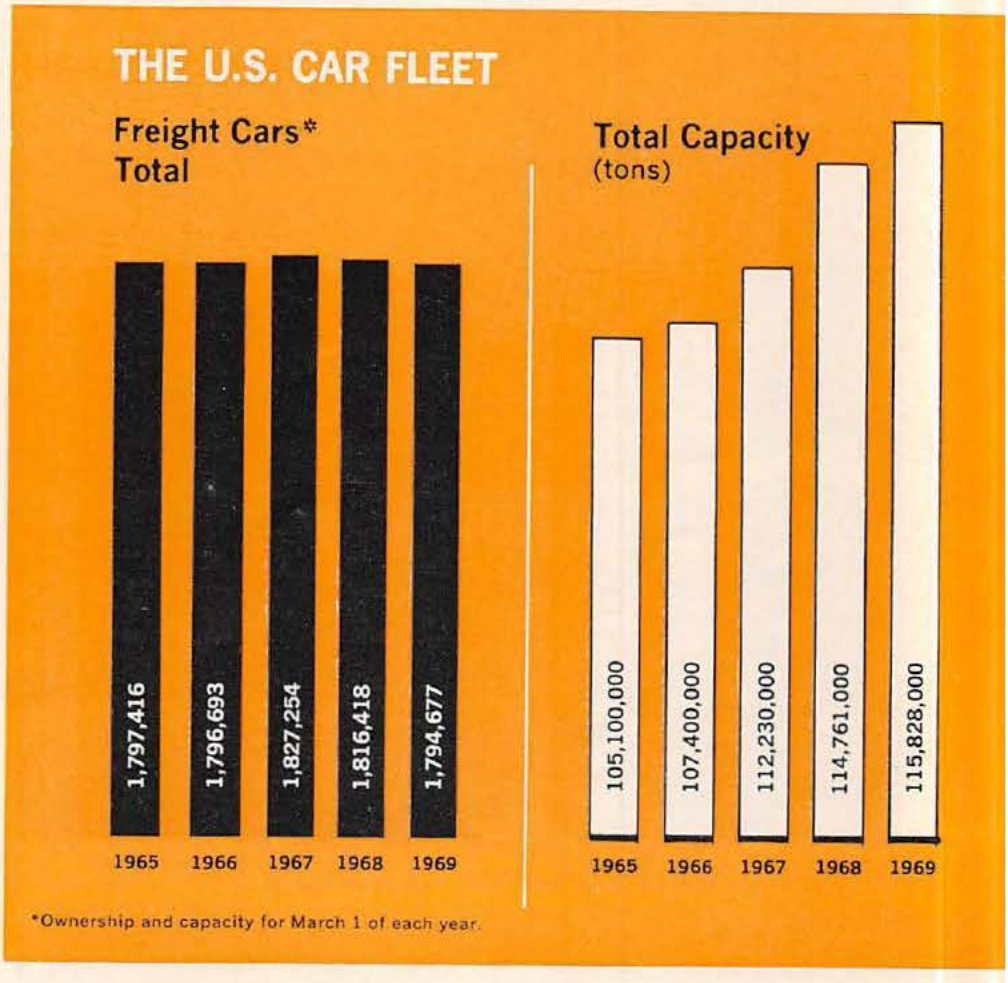
Who can forget that Black Tuesday, October 11, 1966? When the "Ayes" outnumbered the "Nays" in Congress that day 30 months ago, the rug was pulled right out from under the railroads' most protracted car buying of modern times. Falling harder, perhaps, were those who supply the railroads. As the result of Congressional action, the 7% tax credit on new equipment investments was suspended.

● **Screeching halt.** For railroads and suppliers alike, 1966 had, up to that point, been a heady, intoxicating year. Traffic was up, and railroads were buying like crazy. For years, transportation experts, railroad managements, shippers and even government leaders had been predicting that railroads would have to place 100,000 cars a year in service to meet the needs of the expanding economy.

As railroads accelerated their purchases in the first half of '66, there was little doubt that the year was going to be that long-promised 100,000-car year. What would follow was anyone's guess—another 100,000-car year?

When Congress acted favorably on President Johnson's request for suspension of the credit, the railroads' reaction was like an emergency brake application. By the time the sparks subsided, there were more slid flat wheels in the supply industry than you could count.

● **Desired effect?** While the investment tax credit had been in effect, it had been credited with saving the railroads a potfull of money. In 1965, the savings amounted to a cool $51 million. Even as Congress was acting to suspend the credit, railroad economists were predicting that when 1966 financial statements were finally in, the savings from the credit might amount to $75 million.



The investment tax credit, whose reinstatement was sought desperately by both railroad and supplier organizations, was finally reactivated on June 13, 1967. In the suspension's wake lay many a dashed dream. In the first four months of 1967, the suspension's sting had resulted in the industry ordering only 12,231 cars. Compare that with the same period of 1966—44,835 cars—and it meant that suppliers who had geared their production for 100,000-car years in succession had to be getting hurt.

● **Crash landing.** Like a flyer whose oxygen fails at 30,000 feet, some of the less hardy among the railway suppliers—some of those less experienced in the ups and downs of railroad purchasing—made a dive for the richer air of the lower altitudes—and never pulled out. Some leveled off, but swore they would never aspire for those upper altitudes again.

On the strength of orders placed in 1966, before the suspension, 1967 was not a bad delivery year—with over 83,000 new cars added to the fleet. Then along came 1968, an indifferent sort of year with a little over 56,000 new cars delivered. But 1968 wasn't all bad. Toward the end of the year, car orders began to pick up. This heartening action elicited some smiles from the suppliers regarding prospects for 1969.

● **What now?** As a result of last week's unexpected moves in Washington, railroads today face the threat not of having the tax credit suspended—but of losing it entirely. How they will react is anybody's guess. For the short term, they will probably pull back. For the long term, traffic—not tax incentives—will tell the story. ■

TANK AND RB BOX CARS ARE CANDIDATES FOR SPLIT LEASE

equipment users share the leasing of a group of cars, one of the lessees would operate the cars in one half of the year, and the other one in the other half. Under this arrangement, the two participants would not only share the use of the cars, but also costs.

Thus, explains S. I. Kaplan, U.S. Railway Leasing's president, each of the participants in an equipment-sharing leasing plan is "required to pay for the cars only during the period of maximum use." This desirable maximum utilization feature of the plan becomes possible when the leasing companies are able to find equipment users "having a need for the same equipment, but need it during opposite peak seasonal periods," he added.

● **Railroad/Shipper Lease.** U.S. Railway Leasing's first Split Lease was negotiated in September 1966, between a railroad—the Frisco—and a shipper—Armour Agricultural Chemical Company (Armour is a part of the agricultural division of U.S. Steel). Toward the middle of 1967, the lease went into operation with the initial delivery of the cars. Altogether, the two lessees had signed up to lease 500 4,427-cubic-foot covered hopper cars and share them over a 15-year period.

Transport Leasing's Back-to-Back Lease—which involved 200 4,427 cu. ft. covered hopper cars—was signed in late 1966 and it brought a pair of shippers together under the sharing plans. The two participants in TL's plan were the agricultural division of Olin Mathieson Chemical Corp., and Equity Union Grain Company. Equity, like Armour in U.S. Railway Leasing's Split Lease, has undergone a change of name since entering its joint lease plan. It is now part of the giant farm co-operative Far-Mar-Co.

In each of the plans, the joint lessees of the cars were firms which encountered peak demands for cars at different times of the year. Frisco and Equity/Far-Mar-Co saw their greatest need for the cars in the latter half of the year, when grain crops were being harvested. Meanwhile, Armour/U.S. Steel and Olin Mathieson, producers of fertilizers, saw their greatest car needs developing always in the first half of the year.

While the joint lease plan may seem like a natural for shippers of bulk fertilizers and grain processors, it has not really expanded much beyond the two leases which were signed in late 1966. Railway Leasing did, however, arrange a joint lease later of 50 4,427-cu.-ft. covered hopper cars involving a pair of railroads—the Detroit, Toledo & Ironton and the Canadian National. This was the first railroad-to-railroad lease and the first international one.

● **Find a partner.** While these unusual lease arrangements have not gathered many followers, neither U.S. Leasing nor Transport Leasing are discouraged, nor are they considering abandoning them. Hugh Foster, TL's vice president, says "We know there are shippers in the country who can use our Back-to-Back plan. The big job is to get them together and have them agree to share the cars.

Solving the problems

Leasing's flexibility, its ability to adapt to changing situations, was brought out most vividly in the Split Lease in which the Frisco is a partner. The Frisco found, after signing its lease, that the grain traffic along its lines was growing at a pace which warrants use of half of the 500 cars the year around Armour/U.S. Steel agreed to re-negotiate the lease. Out of these negotiations came an agreement which gave the Frisco use of 250 cars throughout the year, and the remainder on original schedule.

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● **It's what it isn't.** It's not so much what leasing is as it is what it isn't. Leasing, whether it be a net lease, a Split Lease, a full maintenance lease or a Back-to-Back Lease, isn't a big down payment, nor a big debt on the balance sheet; it isn't a missed opportunity to improve a tax situation. Furthermore it isn't the chance of becoming the owner of a piece of equipment which new technology makes obsolete shortly after the purchase is made. And it isn't meeting tomorrow's costs with today's dollars. It isn't a lot of things that direct purchasing is.

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freight cars?

● **Policy or expedient?** Now that the car shortage has become a matter of national concern, it is interesting to review some of the precedent for the current situation.

Many of today's car problems are traceable back to the day, 18 months ago, when the investment credit was suspended. Repeal, as everyone said at the time, was something the car-building industry could have lived with; suspension meant that railroads were told, in effect, "If you'll stop buying for a few months, you can get cars at bargain prices later."

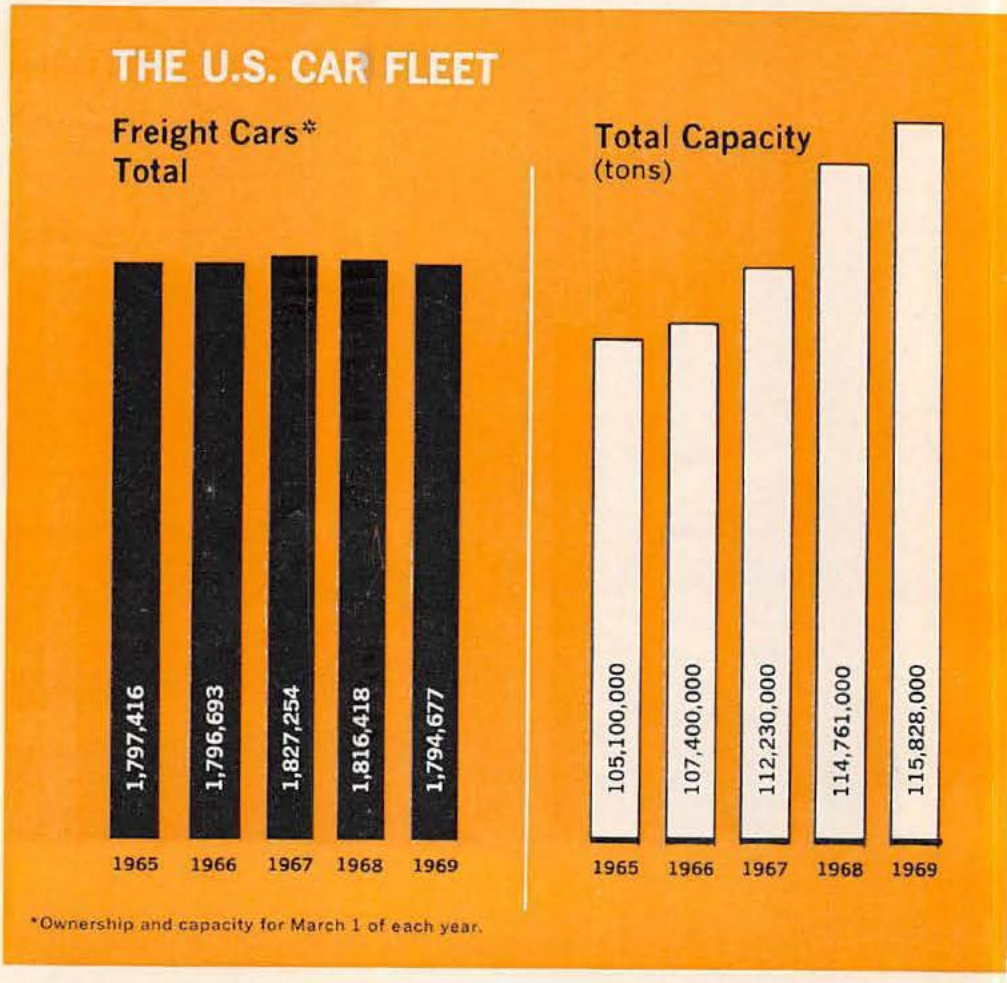
Who can forget that Black Tuesday, October 11, 1966? When the "Ayes" outnumbered the "Nays" in Congress that day 30 months ago, the rug was pulled right out from under the railroads' most protracted car buying of modern times. Falling harder, perhaps, were those who supply the railroads. As the result of Congressional action, the 7% tax credit on new equipment investments was suspended.

● **Screeching halt.** For railroads and suppliers alike, 1966 had, up to that point, been a heady, intoxicating year. Traffic was up, and railroads were buying like crazy. For years, transportation experts, railroad managements, shippers and even government leaders had been predicting that railroads would have to place 100,000 cars a year in service to meet the needs of the expanding economy.

As railroads accelerated their purchases in the first half of '66, there was little doubt that the year was going to be that long-promised 100,000-car year. What would follow was anyone's guess—another 100,000-car year?

When Congress acted favorably on President Johnson's request for suspension of the credit, the railroads' reaction was like an emergency brake application. By the time the sparks subsided, there were more slid flat wheels in the supply industry than you could count.

● **Desired effect?** While the investment tax credit had been in effect, it had been credited with saving the railroads a potfull of money. In 1965, the savings amounted to a cool $51 million. Even as Congress was acting to suspend the credit, railroad economists were predicting that when 1966 financial statements were finally in, the savings from the credit might amount to $75 million.

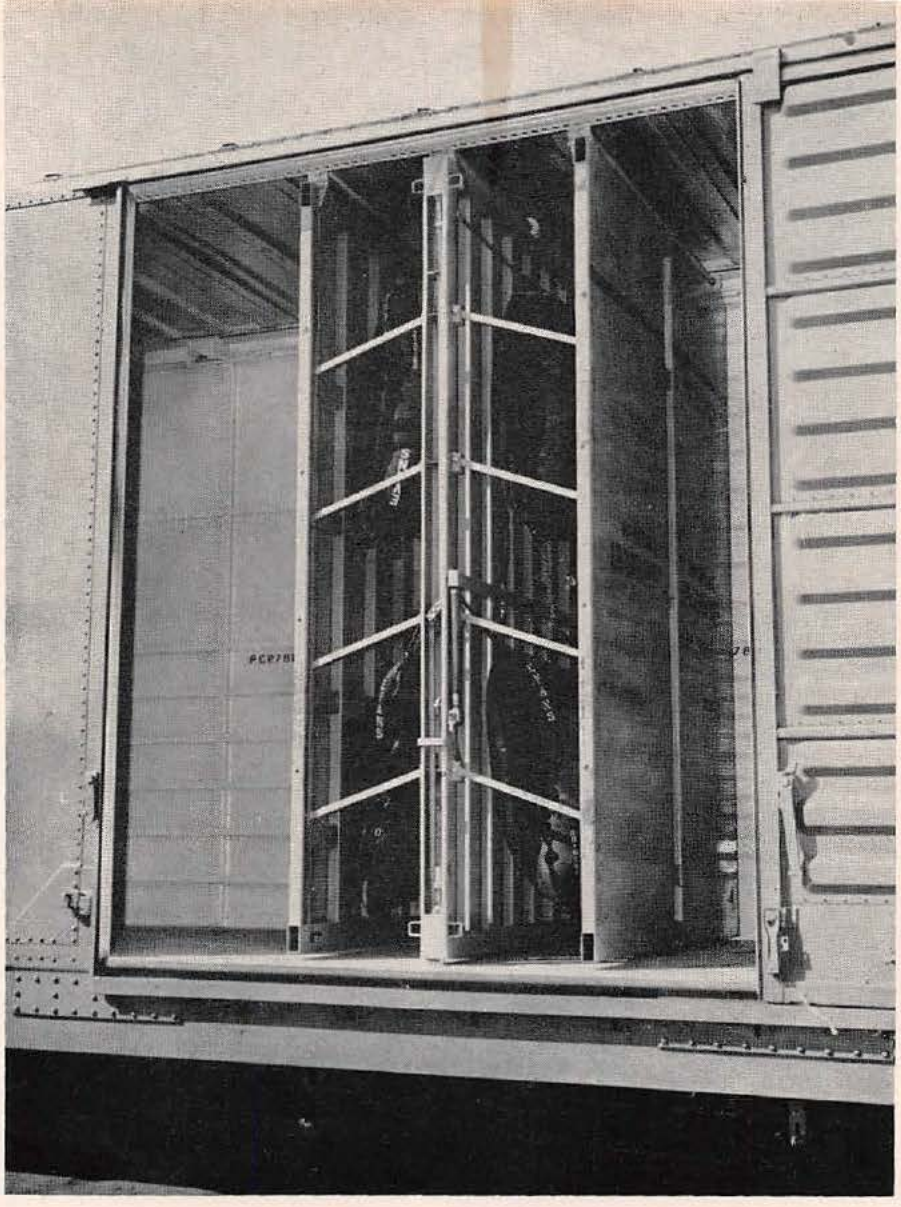


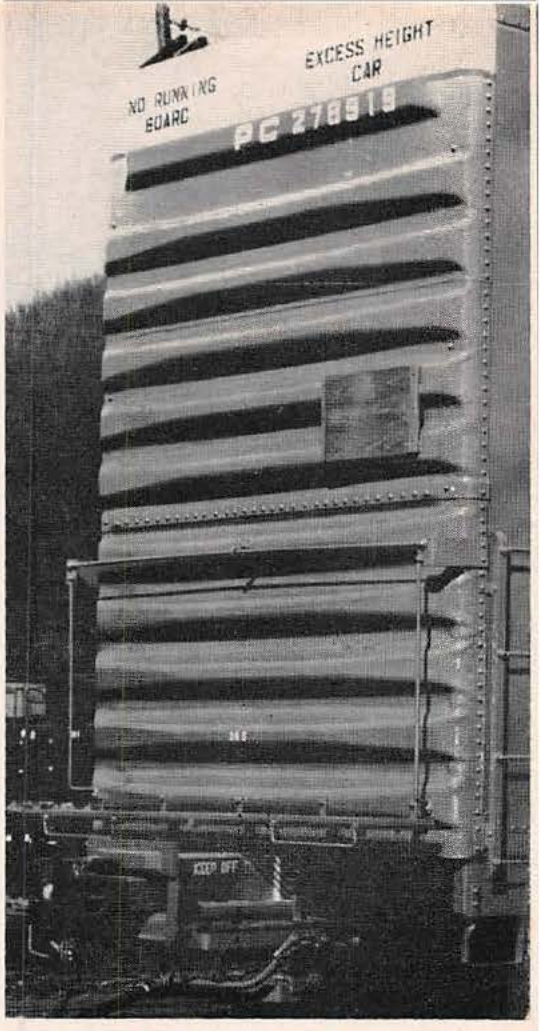
The investment tax credit, whose reinstatement was sought desperately by both railroad and supplier organizations, was finally reactivated on June 13, 1967. In the suspension's wake lay many a dashed dream. In the first four months of 1967, the suspension's sting had resulted in the industry ordering only 12,231 cars. Compare that with the same period of 1966—44,835 cars—and it meant that suppliers who had geared their production for 100,000-car years in succession had to be getting hurt.

● **Crash landing.** Like a flyer whose oxygen fails at 30,000 feet, some of the less hardy among the railway suppliers—some of those less experienced in the ups and downs of railroad purchasing—made a dive for the richer air of the lower altitudes—and never pulled out. Some leveled off, but swore they would never aspire for those upper altitudes again.

On the strength of orders placed in 1966, before the suspension, 1967 was not a bad delivery year—with over 83,000 new cars added to the fleet. Then along came 1968, an indifferent sort of year with a little over 56,000 new cars delivered. But 1968 wasn't all bad. Toward the end of the year, car orders began to pick up. This heartening action elicited some smiles from the suppliers regarding prospects for 1969.

● **What now?** As a result of last week's unexpected moves in Washington, railroads today face the threat not of having the tax credit suspended—but of losing it entirely. How they will react is anybody's guess. For the short term, they will probably pull back. For the long term, traffic—not tax incentives—will tell the story. ■





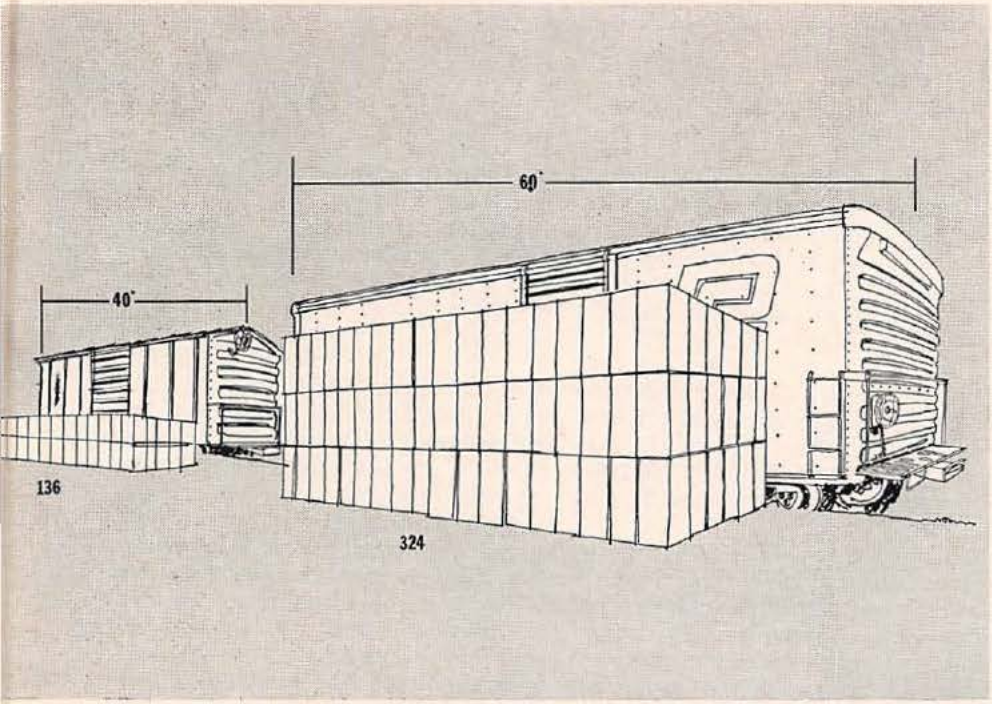
HIGH-CUBE BOXCAR (above), can carry many

New cars

New equipment and a new pricing concept have given Penn Central a new competitiveness in the distribution of household appliances. When the road recently introduced its 60-foot, high-cube appliance box car, President A. E. Perlman stressed the role of shippers in car development.

At General Motors' Frigidaire Division plant in Dayton, Ohio, where the first of the 270 new cars got its initial load, Perlman said the appliance manufacturer "was of invaluable assistance to us in providing the shipping information and requirements that helped us design and equip this car. Our relationship with Frigidaire is symbolic of Penn Central's marketing concept of working closely with the shipper."

● **Shipping costs cut.** The car's high capacity and other factors are adding up to 10% to 15% reductions in unit costs of shipping appliances. Also, in the past there were numerous rates for different product groups. The new concept, however, provides for all such appliances to be combined into one rate category.



NEW APPLIANCE CAR (foreground), takes almost three times as many dishwashers as conventional boxcar in the background.

more appliances than a standard 40-foot boxcar. It features Air-P ak pneumatic bulkhead (left), to hold shipments firmly in place.

cut appliance—haul costs

Two important factors lay behind the development of the new concept:

—A changing distribution pattern in the major appliance industry, developed in the past decade, characterized by high-volume movement between manufacturing plants and certain distribution centers;

—The need for higher capacity equipment to transport increasing volumes of major household appliances efficiently.

It was in response to these appliance industry trends that PC started to work. "We helped pinpoint, through marketing studies, key major appliance distribution points in the nation," explains Henry W. Large, executive vice president. "It was determined that these centrally-located cities could assure rapid deliveries to dealers, while minimizing the latter's inventory burden." Moreover, Penn Central discovered that warehousing complexes at central distribution points are in position to take advantage of the transportation economies offered by high volume rail movements.

● **Enter high cube.** Next step was the development and testing of the 60-foot high cube car. "A prototype car, used for a year delivered over 2,000 appliances in perfect condition. Now a fleet of 270 of the high-capacity box cars—capable of carrying over a million appliances annually—has just been completed. PC's own Samual Rea shop at Hollidaysburg, Pa. produced the $6.3-million order.

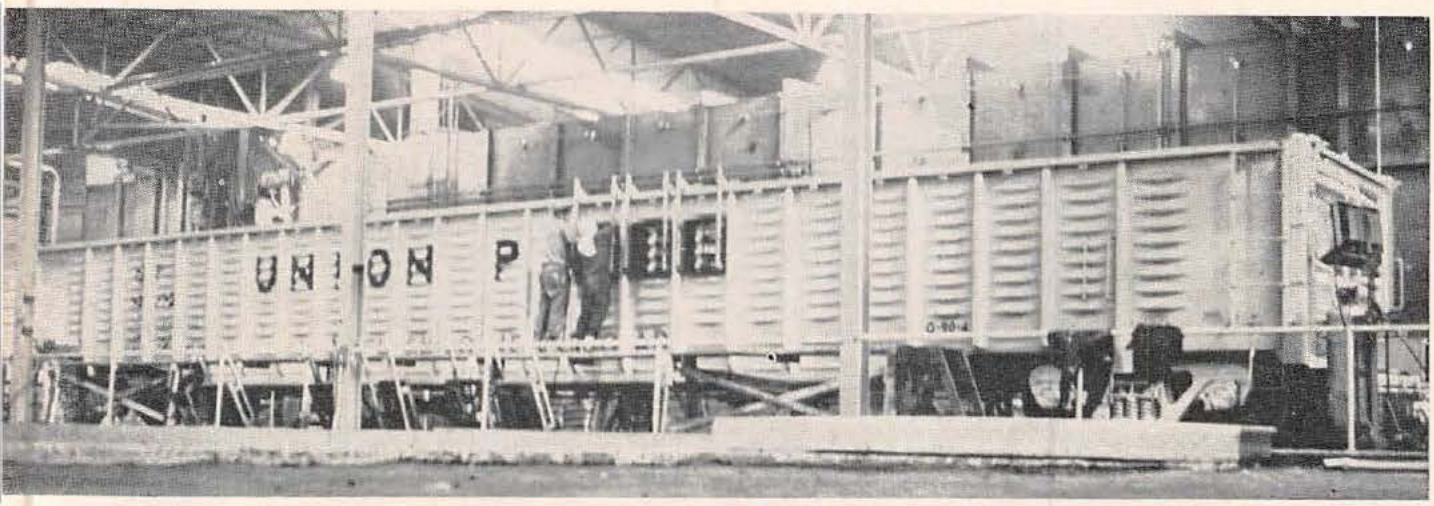
Each car has an inside length of 60 feet, 8 inches, a height of 12 feet, 4 inches, and a cube of more than 7,200 cubic feet. Carrying capability of the new 70-ton cars is reflected best in a comparison with the standard 40-foot cars. The 60-footer can carry as many as 264 standard laundry washers or driers. The 40-foot car can handle only 96 such units.

PC hauls more appliances in new, longer cars

Appliance	New 60-foot car	Conventional 40-foot car
Refrigerator (14.1 cu. ft.)	120 units	63 units
Refrigerator (12.3 cu. ft.)	132 units	66 units
Dishwasher	324 units	136 units
Washer or Dryer	216 units	90 units

The new cars have cushioned underframes and Evans Air-Pak pneumatic bulkheads inside to hold shipments firmly in place. The 10-foot doors of the new cars permit fast loading with forklift trucks, saving up to 75% in loading and unloading time and expense.

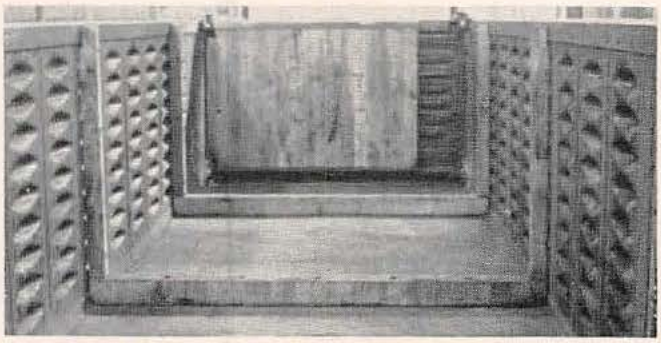
● **Frigidaire changes.** Theory of the new marketing concept is based on establishment of a number of key warehousing locations throughout the nation to which appliances would be moved in the new 60-foot cars. Beyond this high-volume rail haul, would be regional distribution to dealers. William J. Dalton, Frigidaire director of distribution, says the car is paving the way for major improvements in Frigidaire's distribution to strategic geographical sites. ■



HIGH SIDES, of Stanry corrugated panels, increase cube of jumbo gondolas over configuration of predecessors.

Gondolas fit shippers' specification

UP's Magor-built 65-foot cars conform with AISI standards for steel-hauling equipment.



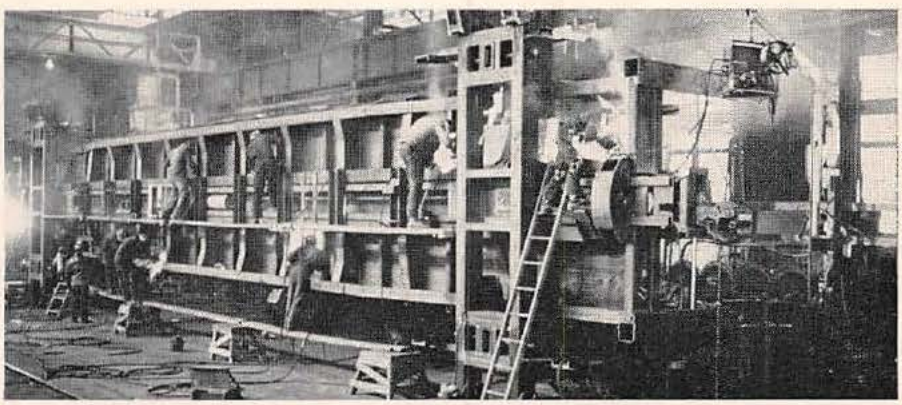
PERMANENT BLOCKING and wood-lined ends, recommended by AISI and specified by UP, give cars new competitiveness.

While shippers often complain about railroad equipment failing to meet their exact requirements, steel producers should be making no such statements about Union Pacific's new jumbo gondolas. Magor Railcar has recently completed its order for 100 of the 100-ton, 65½-foot cars, claimed to be the first gondolas of this size ever to be fitted with sliding-sill cushioning.

● **Industry standards.** While their aluminum-and-yellow paint job alone is enough to attract the attention of any loading foreman or traffic manager, it will be the loading features of the new gondolas which will make the lasting impression. The cars meet in virtually every respect the published requirements of U.S. Steel (RA, July 29, 1968, p. 42B) and of the American Iron & Steel Institute (RA, May 18, 1968, p. 44) with respect to jumbo gondola cars for steel-handling service.

The equipment was acquired primarily for moving wide-flange structural products from the Geneva, Utah, plant of U.S. Steel. And because of delays in delivery of new production equipment for these outsize structurals, UP had its cars ready for service well before its customer could begin to produce their intended ladings.

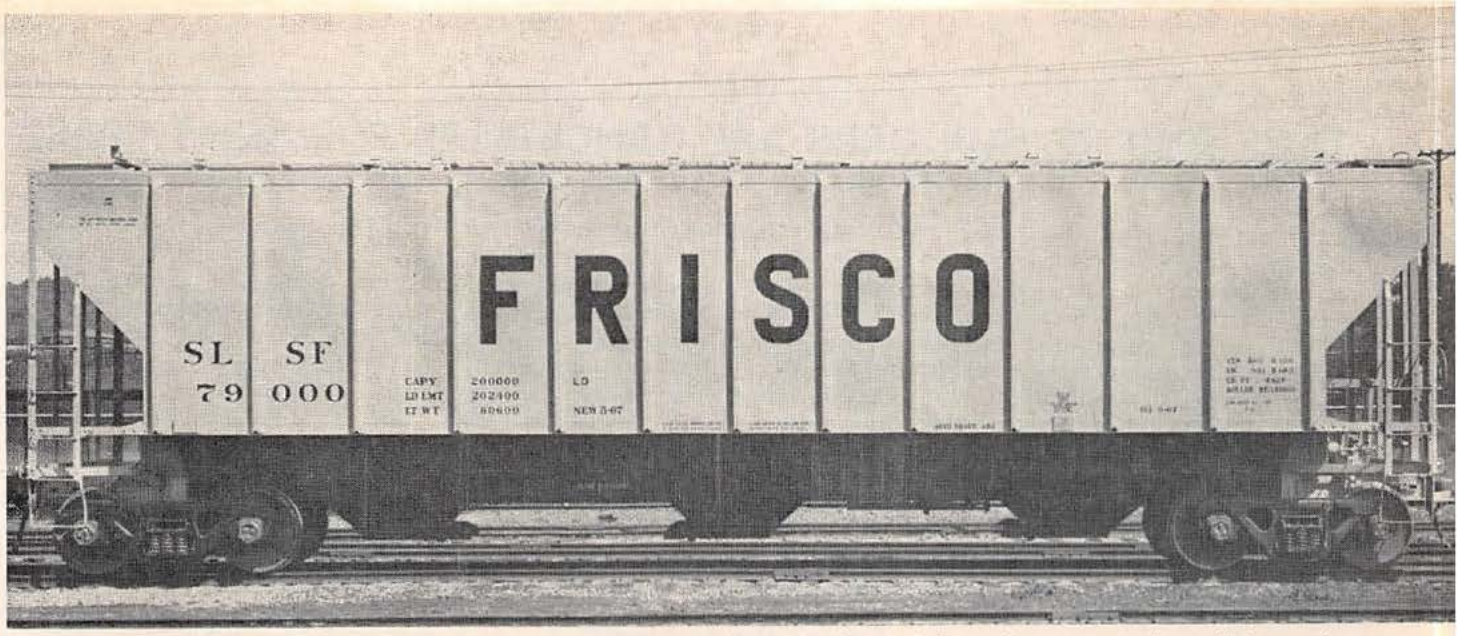
● **Need will grow.** The steel industry forecasts growing need for long gondolas over coming years as more of mill output is in lengths which cannot be accommodated in 52½-foot gondolas. The UP car's wood-lined, drop ends conform with two of AISI's specifications. The permanent wood blocking on floor and sides, and the 66-inch-high sides themselves, make unnecessary much temporary blocking and load securement, estimated by U.S. Steel to cost as much as $2.50 per ton and thus increase the competitiveness of trucks.



UNDERFRAME is fitted with 20-inch Keystone sliding-sill cushioning; underbody welding is completed in positioner prior to putting the carbody on 100-ton trucks.

Another suggestion of steel producers, high-capacity cushioning, is expected to make possible further economies in load securement. Lading band anchors are provided at convenient intervals. The gondola also has the shipper-suggested steel floor.

The car is essentially an all-welded structure having a cube of 3,272 cubic feet. The inside width of 9 feet 1 inch is well over a foot greater than that of the traditional 65½-foot car which was unrealistically narrow for many years. ■



COVERED HOPPERS exactly like this Frisco-owned car become available to the road for grain season under split-lease plan.

Leasing swells car supply

'Ideal couples' are sought by U. S. Railway Leasing and Transport Leasing.

By ROBERT D. BARTLEY
WESTERN MECHANICAL EDITOR

Leased and privately-owned freight cars play a key role in the smooth operation of the railroads'—and the nation's—overall transportation systems. If they were suddenly withdrawn from rail service now, a car shortage to end all car shortages would develop almost immedately.

These non-railroad-owned cars are often painted in rich colors and bear the markings of scores of leasing companies and of firms, both large and small, in such fields as agriculture, chemicals, petroleum and food. They now number in the hundreds of thousands. If the trend of recent years continues, their numbers will become even greater. Perhaps someday, as has been predicted, their figure may exceed that of railroad-owned cars.

● **Another 1967?** It was estimated earlier that approximately $600 million in equipment would be placed in service this year through leasing arrangements and by purchases made by the private car owners. This figure, some $150 million above last year's total, is equal to the figure for 1967. In that year 39,000 cars were acquired by railroads through leases, and by private owners through leases and direct purchases.

Leasing companies and the car manufacturers who supply them are not altering their estimates of the amount which will be spent this year for leased equipment, despite President Nixon's request to Congress for repeal of the 7% investment tax credit on equipment acquisitions. While the credit is —and has been since 1962—a key factor in many leasing arrangements, the lessors in general aren't expecting its possible repeal to seriously reduce the number of cars leased this year. If anything, the President's request for repeal—or more so, the hint that such a request might be forthcoming—virtually assured 1969's success so far as car-leasing is concerned.

Explained one leasing company exextive: "We received a flurry of orders from equipment users just a few days prior to Mr. Nixon's announcement. These, along with a large number of direct purchase orders received at the same time by our source of supply for equipment, has booked up his production facilities throughout the year, and actually on into the early part of 1970."

Another lessor reported that "quite frankly, the leasing costs will have to go up by 7% to offset the loss of the credit." He added, however, that the effect probably won't be felt until 1970 because of the great number of orders just received. None of the lessors, nor any of the equipment users or manufacturers, for that matter, are passing off the possible credit repeal lightly. Eventually, this added cost of doing business will have to be dealt with.

It could be worse, however, reported one lessor as he recalled the effect of the suspension of the tax credit back in 1966. The suspension, which had a time limit on it, thus giving it a temporary status, caused almost all the equipment buyers and users to go into hibernation, to call off any plans they might have had to get any equipment until the suspension was lifted. At least, reasoned this lessor, a repeal, unlike a suspension, means that the credit will become part of history, and no one will be left dangling.

Hopefully, because equipment is needed so badly, arrangements will have to be made to acquire the equipment and pay for it without the benefit of the credit.

Lessors aren't giving up altogether on the chance that transportation equipment may be exempted, and allowed to retain the benefits of the credit. They plan to lend any kind of support to an exemption.

Leasing with or without the tax credit has a great amount of flexibility, making it possible for plans to be tailored to meet the specific needs—and the pocketbook—of the equipment user. Beside investment credit leases, there are short-term leases, net leases, full service leases and partial service leases. Some of these types of leases can be combined to fit a plan that meets the lessee's requirements.

The U.S. Railway Leasing Subsidiary of Evans Products Company and the Transport Leasing Division of Pullman, Incorporated each developed a special type of lease in the latter part of 1966. U.S. Railway Leasing called its Split Lease, while Transport Leasing used the name, Back-to-Back Lease.

Both were designed to have two

TANK AND RB BOX CARS ARE CANDIDATES FOR SPLIT LEASE

equipment users share the leasing of a group of cars, one of the lessees would operate the cars in one half of the year, and the other one in the other half. Under this arrangement, the two participants would not only share the use of the cars, but also costs.

Thus, explains S. I. Kaplan, U.S. Railway Leasing's president, each of the participants in an equipment-sharing leasing plan is "required to pay for the cars only during the period of maximum use." This desirable maximum utilization feature of the plan becomes possible when the leasing companies are able to find equipment users "having a need for the same equipment, but need it during opposite peak seasonal periods," he added.

● **Railroad/Shipper Lease.** U.S. Railway Leasing's first Split Lease was negotiated in September 1966, between a railroad—the Frisco—and a shipper—Armour Agricultural Chemical Company (Armour is a part of the agricultural division of U.S. Steel). Toward the middle of 1967, the lease went into operation with the initial delivery of the cars. Altogether, the two lessees had signed up to lease 500 4,427-cubic-foot covered hopper cars and share them over a 15-year period.

Transport Leasing's Back-to-Back Lease—which involved 200 4,427 cu. ft. covered hopper cars—was signed in late 1966 and it brought a pair of shippers together under the sharing plans. The two participants in TL's plan were the agricultural division of Olin Mathieson Chemical Corp., and Equity Union Grain Company. Equity, like Armour in U.S. Railway Leasing's Split Lease, has undergone a change of name since entering its joint lease plan. It is now part of the giant farm co-operative Far-Mar-Co.

In each of the plans, the joint lessees of the cars were firms which encountered peak demands for cars at different times of the year. Frisco and Equity/Far-Mar-Co saw their greatest need for the cars in the latter half of the year, when grain crops were being harvested. Meanwhile, Armour/U.S. Steel and Olin Mathieson, producers of fertilizers, saw their greatest car needs developing always in the first half of the year.

While the joint lease plan may seem like a natural for shippers of bulk fertilizers and grain processors, it has not really expanded much beyond the two leases which were signed in late 1966. Railway Leasing did, however, arrange a joint lease later of 50 4,427-cu.-ft. covered hopper cars involving a pair of railroads—the Detroit, Toledo & Ironton and the Canadian National. This was the first railroad-to-railroad lease and the first international one.

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APRIL TRAFFIC POLL

1. **IN THE PAST YEAR HAS YOUR CAR SUPPLY SITUATION**
   Improved? (4) Deteriorated? (54) Remained the same? (19)

2. **WHAT CAR TYPES HAVE BEEN IN SHORTEST SUPPLY?**
   For replies, see text.

3. **HAVE CAR SHORTAGES AFFECTED YOUR OPERATIONS DURING THE PAST YEAR?**
   Yes (68) No (9)

4. **IF ANSWER TO NO. 3 IS YES, PLEASE SPECIFY.**
   For replies, see text.

Shortages continue to plague shippers

Inadequate car supply is causing major railroad customers to divert to other modes of transportation.

Railroads are making herculean efforts this year to ease care shortages—both through stepped-up buying of new cars and through an industry-wide drive to keep the present car fleet busier.

In the view of their customers, these efforts have come none too soon. Seventy-seven leading railroad shippers, replying in early and mid-April to a Railway Age poll, for the most part report steadily worsening car shortages.

Fifty-four of the 77 said their own car-supply situation had deteriorated during the preceding 12 months. Only four reported any improvement. Nineteen reported no change. Sixty-eight of the 77 reported that car shortages had adversely affected their own operations. In some cases, this meant that the shippers' production schedules were disrupted; in most cases, it meant that they had to disappoint their own customers when promised deliveries could not be made. A number of shippers said they are diverting freight to other modes, until car supply improves.

As for cars in shortest supply, the box car got 47 mentions—five times the number of mentions that went to No. 2, the covered hopper.

● **One year ago.** A similar poll was conducted by Railway Age in April 1968, with 66 shippers participating. At that time, 10 shippers reported improvement in car supply during the previous year; 34 reported deterioration; 22 reported no change; and 48 said car shortages had affected their own operations.

● **What they're saying today.** A sampling of replies to this year's poll suggests the seriousness with which shippers view the car-supply situation:

"Because of car shortages, we have had to pay increased transportation charges via other modes of transportation; we have lost production at many of our plants; we have been forced to pay premium labor rates; we have paid increasing demurrage because, not having adequate cars for shipment we could not unload ingredients; we have shut down country elevators. All in all, it has been a horrible year, and we sincerely hope it gets better."—N.H. Johnson, vice president—traffic, Ralston Purina Co., St. Louis.

"Shipments to customers have been delayed; in some cases we have switched to truck."—A.V. Borring, manager, traffic services, Joseph T. Ryerson & Son, Chicago.

● **"Situation desperate."** Car shortages have meant "rehandling, storing, substituting higher cost transport mode, loss of loading efficiency per man hour, increased communications expense, increased service expense (tracing, expediting, reconsignment, diversion and reloading). The situation is desperate; if the second half of the year is as bad as the first half, our company must take serious, diversionary steps from our basic rail-oriented distribution methods."—R.L. Kendall, general traffic manager, Inland Container Corp., Indianapolis.

"We have had to hold up some shipments several days at times. I can't honestly say we have lost orders. One difficulty is labor displacement at our refineries where sugar has been produced and we don't have the cars after

Frank Malone

WATCHING WASHINGTON

LIKE MANY PEOPLE these days, Virginia Mae Brown, Interstate Commerce Commission Chairman, has a Golden Spike medallion. It reminds her of things to come, not of things past. Less than a month before the great centennial, she thinks of a truly transcontinental railroad, singular, and says: "It's amazing that this country hasn't had one by now."

THE REASON, she agrees, is that railroads, unlike many trucklines, have followed a pattern of side-by-side mergers, because that's how they wanted it. But since the Commission's duty involves promoting long-range benefits for the national economy, wouldn't it have been better to urge end-to-end mergers from the start? Mrs. Brown treads lightly on the delicacy of ICC power to set policy by answering that the law says you can file a merger application any way you want to.

MRS. BROWN was appointed to the Commission in 1964, just in time to feel the merger winds really grow strong. She got to handle the administrative work for the Rock Island case, the biggest to ever hit ICC. She says development of a transcontinental railroad has become one of her chief interests. "A couple of years ago I couldn't find anything going in that direction. At one period I wouldn't have said there'll be one in my time, but now I can say it." She obviously doesn't mean her time at ICC, because that ends Dec. 31.

WHAT SHE DOES SAY is that ICC will be ready: "This commission is preparing to handle such cases." Her sense of the need for readiness comes mainly from the Rock Island experience. And at her prompting, the two Rock Island examiners will siphon from that case a definite plan for handling an even bigger one.

OBSERVERS SAY the first transcontinental application might come after Norfolk & Western-Chesapeake & Ohio gets approved, because that would force Penn Central to seek a western partner, that Mrs. Brown might like the new thing on her chairman's record. She won't comment on pending cases, but she recalls that her interest hasn't always meant a yes vote. She voted for PC, N&W-NKP-Wabash, and CGW-C&NW, but against the Northerns and SP-WP. However, she stands by her approvals: "Penn Central is no shining glory now, but it will work out. I voted for it, and I want to see that railroad work."

allocating labor."—N.C. Struffolino, manager-rail service, American Sugar Co., New York.

"On several occasions we have been unable to meet delivery schedules requested by our customers."—T.O. Pollihan, assistant traffic manager, Standard Pipe Protection Division, St. Louis.

"Lack of sufficient supply of flat cars has required that we divert some rail traffic to trucks at some factories."—Joe Howe, manager North American traffic, Deere & Co., Moline, Ill.

● **Incentive rates lost.** "It appears to us that the car supply situation over the entire country is becoming more critical every year. We have standardized our load patterns based on customer needs, rate and minimum weight levels, size and type cars normally available, etc. Machine and manufacturing schedules are geared to the standardized loadings. Shortage of certain size rail cars throws everything out of order. Not only do we end up holding load balances in storage (when forced to use a 40-ft car while producing for a 50-ft car) but we lose the advantage offered by incentive freight rates."—J.D. Perkins, director of transportation, Great Northern Paper Co., New York.

"For us, the car shortage means that shipments are delayed until the railroad can furnish us with the cars requested, or the shipments are made via other modes of transportation, usually at higher rates."—Joseph Patraiko, assistant to the general traffic manager, Whitehall Laboratories, New York.

"In some cases, we had to slow down our operation and in other instances we had to shut down our plant."—S.L. Scallan, assistant traffic manager, Godchaux-Henderson Sugar Co., Reserve, La.

"We have been forced into trucking a great deal of our products. We have also been forced into changing our production schedules based upon the number of cars we have been getting as contrasted to what we need."—William H. Montgomery, director of transportation, Riegel Paper Co., New York.

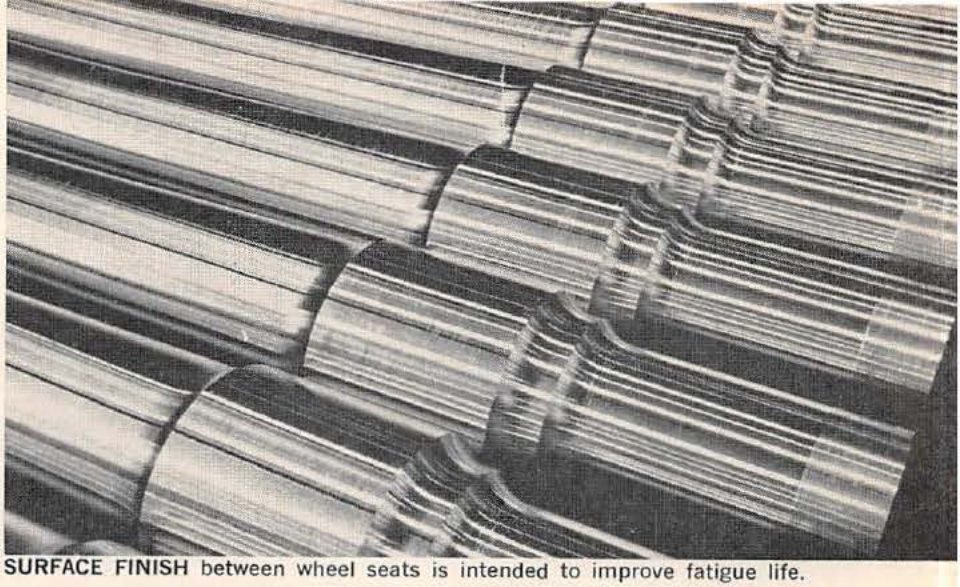
"We wait three weeks for a car if we are lucky. In a lot of cases we have moved via truck when we should have moved by rail."—Albert H. Fearnley, Jr., general traffic manager, Dennison Manufacturing Co., Framingham, Mass.

● **Grain shippers hurt.** Shortages have meant "delayed rail shipments . . . transfer of some shipments to truck . . . grain merchandising opportunities lost due to lack of cars."—R.E. Alexander, vice president, Pillsbury Co., Minneapolis.

"The shortage of covered hoppers and box cars suitable for grain loading has been extremely critical in Montana, the Dakotas, and Minnesota throughout

(Continued on page 61)

USS: A smoother axle for reliability



SURFACE FINISH between wheel seats is intended to improve fatigue life.

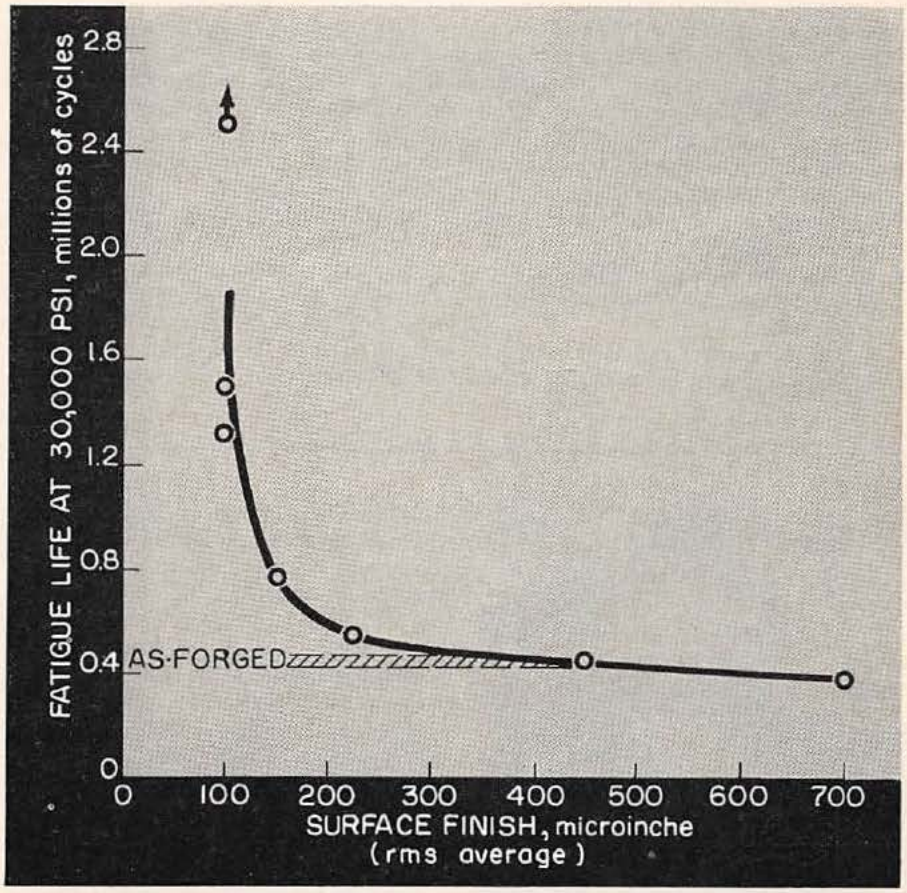
New production standard is result of laboratory study.

Forty years ago the railroad standard was a 50-ton freight car which operated in trains averaging just a shade over 13 miles per hour. There was a factor of safety in railroading then which has diminished significantly, particularly in the face of the past decade's developments. Under the influence of increasing loads and speeds, traditional rails, wheels and axles have been pushed closer and closer to the limits of their capabilities. Even beyond, in some cases.

● **The next step.** Elimination of the cast-iron wheel, introduction of the heat-treated rail and adoption of a new standard axle by the AAR are all symptomatic of the trend. Just last month U.S. Steel announced it was going a step beyond current AAR requirements. Henceforth, USS will produce all its axles machined to an extremely smooth finish to further assure trouble-free performance under today's freight equipment.

It was a decade ago that the USS Railroad Products group recognized the trend to larger cars and higher speeds. Right then, according to Richard W. Claypoole, Railroad Products general manager, "we were able to forecast that axles would have to be machined all over." It was a half-dozen years later before the AAR Mechanical Division acted to require this turning. By that time the USS program to equip its three axle plants with new machine tools was well advanced.

"We can just never be satisfied," explains Claypoole. "USS is involved in the production of the three items which are the real keystones of the railroads' future—the rail, the wheel and the axle." Illustrating the firm's constant commitment to improvement was the 1967 announcement of the world's first precision impact forger for axles at the Homestead Works' Wheel and Axle Division at McKees Rocks, Pa. This device immediately made possible axles more concentric and straighter than hammer-forged products which had been manufactured by the industry for decades.



VERTICAL PATH of life curve at 100-microinch finish showed a surface which was economical to produce while resisting effects of metal fatigue.

● **More new machines.** In conjunction with the new forger, a new three-furnace heat-treating line and three-stage machining facility also were installed. Modern heat treating and machining facilities have since been installed at the USS axle plants at Gary, Ind., and Fairfield, Ala.

All this retooling gave USS new capabilities which, it developed, were of new importance when the experiments on axles were concluded at the USS Applied Research Laboratory at Monroeville, Pa. "When we first started to set our sights on the future," explains Robert S. Whiteside, product manager—wheels and axles, "we tried to plot just what kind of product should be put out to do the job the railroads would have to be doing." This involved more than refinement of production techniques. An important phase was a metallurgical and physical appraisal of the axle at Monroeville.

● **The new standard.** What the lab-

oratory recommended, and the Railroad Products group has now adopted as its standard, was finish machining of axles between the wheel seats to an average of 100-microinch (millionths of an inch) roughness. This surface would increase the median fatigue limit at least 40% more than that of axles with as-forged body surfaces—that is the ability to undergo the stress reversals to which an axle is subjected with each revolution of the wheels.

Axles with machined surface finishes of 350 microinches, or rougher, were found having fatigue properties no better than those of as-forged axles. AAR requirements for the surface roughness of the axle body (that portion between the wheels) permits surface finishes even rougher than 350 microinches.

Finish machining of axles is far from new. A decade ago when its engineers began to look at the car axle, about 14% of the axle output of the USS Railroad Products facilities was already being machined all over. Virtually all these, however, were for diesel locomotives on which, in addition to the loads and speeds comparable with today's cars, axles must also transmit the traction torque.

● **The Venezuela experience.** When U.S. Steel began to have doubts about the adequacy of the standard car axle of ten years ago, the misgivings were based on more than theoretical stress analysis. Ore cars on the firm's relatively new Venezuelan mining railroad were showing the need for more strength and new axle contours between the wheels, and for removal of mill scale from the surface of this portion to permit easier detection of any incipient faults.

AAR research, soon indicating much the same thing, resulted in adoption of the raised-wheel-seat, fully machined axle as the AAR standard in 1965. Turning of the body not only removes any physical discontinuities developed during forging, but also takes off the lower carbon (decarburized) skin which always develops in the forging process. This concentration on improving the axle body surface was justified on the basis of analysis of axle failures which showed them almost inevitably originating in the surface. Even in theory, stresses are higher there.

● **Profile determines.** Previous tests showed that the fatigue limits of the as-forged axle may range from about 14,000 psi to 20,000 psi. The U.S. Steel laboratory work on the 100-microinch axle showed its fatigue limit to be about 30,000 psi. Once the 100-microinch finish had been shown to remove the surface stress concentrations which produced low fatigue life, it was necessary to appraise the available machining facilities. Back came the laboratory report: The profile of the finished surface, irrespective of the tooling with which it was produced, is the determining factor.

Now, says Claypoole, the finer body finish will be standard for all USS axle production. And this 100-microinch finish is supplied at no extra cost.

There is increasing interest in heat treating, probably the next area of concentration in axle design. A decade ago only 10% of USS axles were heat treated—and most of these for locomotives. The figure rose to 75% in 1968. Currently, the 100-ton axle must be so processed under AAR specification.

The replacement market for car axles is relatively small. Normally the axles will outlast several pairs of wheels. In this era of roller bearings, axles will probably continue in service as long as the trucks and carbody with which they were originally bought. Such extended service, particularly under today's heavier loads and higher speeds, puts new emphasis on fatigue life. U.S. Steel says that it is now prepared to do something about that. ■

CP RAIL moves potash to Pacific Coast; return run brings phosphate to Prairies.

Two-way runs hike equipment usage

Railroad men can debate the importance of two-way loaded movement. To some, it's a vital factor in operations-planning and in the decision-making that goes into equipment programs. To others, it's a fringe benefit which sometimes comes along with high one-way-loaded utilization of cars.

To the Canadian Pacific family of transportation companies, two-way movement under load—in at least one instance—is a thing with a bi-modal dimension, benefitting both CP Rail and CP Ships. For both elements of CP, there have been equipment-utilization benefits. For CP Rail itself, the system "comes close to the ideal of maximum equipment use."

● **By ship and by rail.** Phosphate and potash and covered hopper cars are the key elements in the transport service. It works this way:

Bulk ocean carriers, owned by CP Ships, carry lumber from MacMillan and Bloedel Ltd. mills in British Columbia to markets in the eastern and southern United States and in Europe. On the return voyage, these ships pick up phosphate at a Florida Gulf Coast port and bring it via the Panama Canal to Pacific Coast Bulk Terminals at Port Moody, B.C., where it's unloaded and stockpiled.

In the meantime, CP Rail has been bringing Saskatchewan potash in solid trainloads to the Port Moody terminal for export. On the return move, CP Rail's covered hopper cars are loaded with phosphate rock and sent back to the mid-Canada prairies in 50-car blocks to Western Co-operative Fertilizers, Ltd., in Calgary.

● **Who benefits?** CP sums it up: "The system has obvious advantages for both shipper and carrier. Western Co-op Fertilizers benefits from lower rates applied to back-haul traffic. The bi-modal transportation package has made Florida phosphate competitive with phosphate shipped north from Montana.

"For both CP Rail and CP Ships, the back-haul of phosphate rock has resulted in better utilization of facilities and equipment. Ideally, the two-way flow of potash and phosphate should be closely matched. Operating on a weekly schedule, the eastward haul of phosphate by CP Rail involves movement of about 300,000 tons annually. This is balanced against a yearly movement of 500,000 tons of potash from Saskatchewan to Port Moody."

As CP notes, there's not a perfect balance. But equipment utilization is close to what's regarded as a maximum—for two modes, not just one. ■

RPI

Circle 20 on coupon page 54

Hoppers come in 12 A. A. R. classifications with hundreds of variations. Berwick builds them all. From 70 ton coal cars to 100 ton grain cars. . . . Steel or aluminum. With dampeners and roller bearings or without. With ribbed centerplates or without.

Our object is to build hoppers that combine the most desirable components to suit your business. What you want to build is what we build. Right to your specs.

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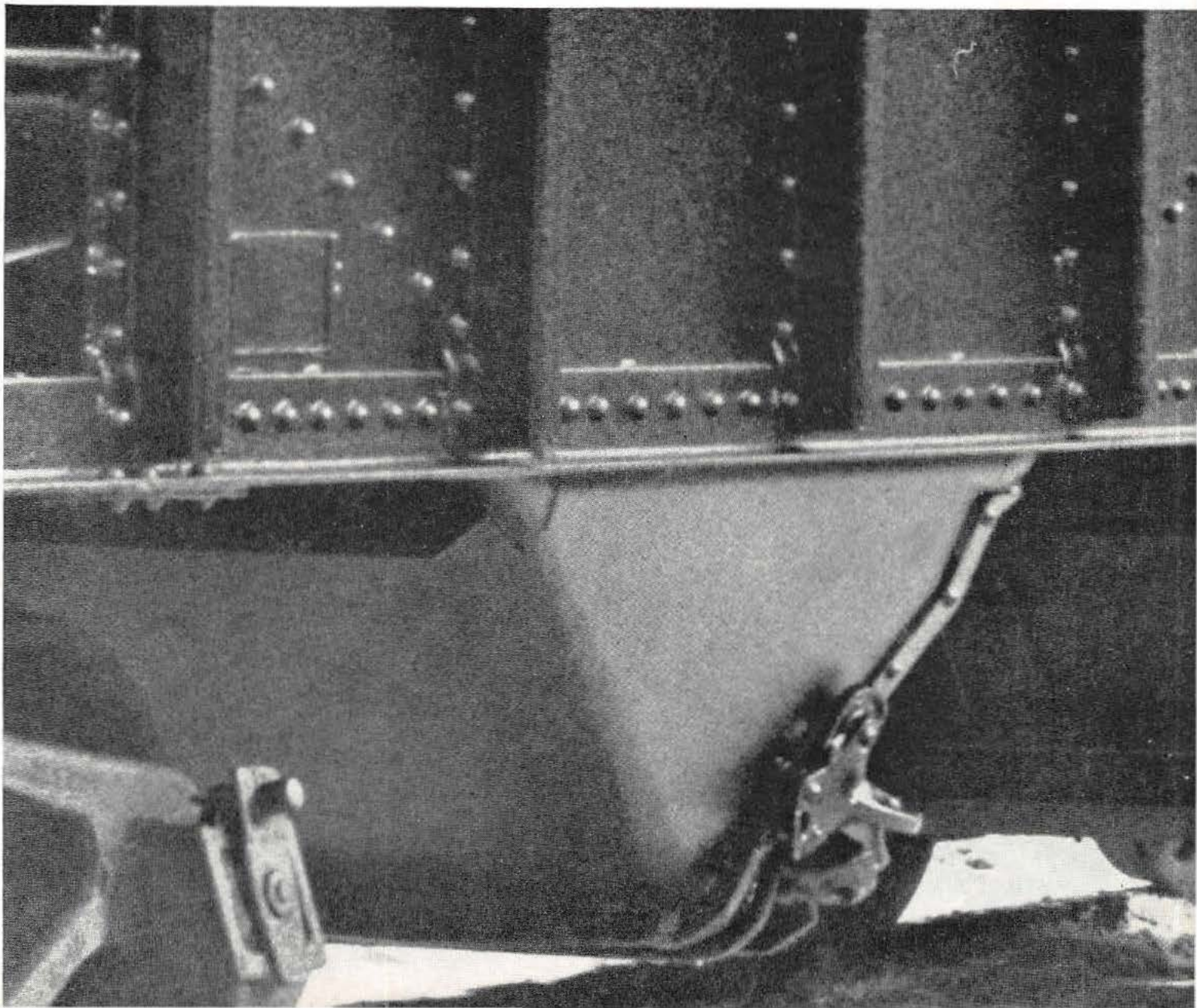
Tell us what you want in new hopper cars. We'll take it from there.



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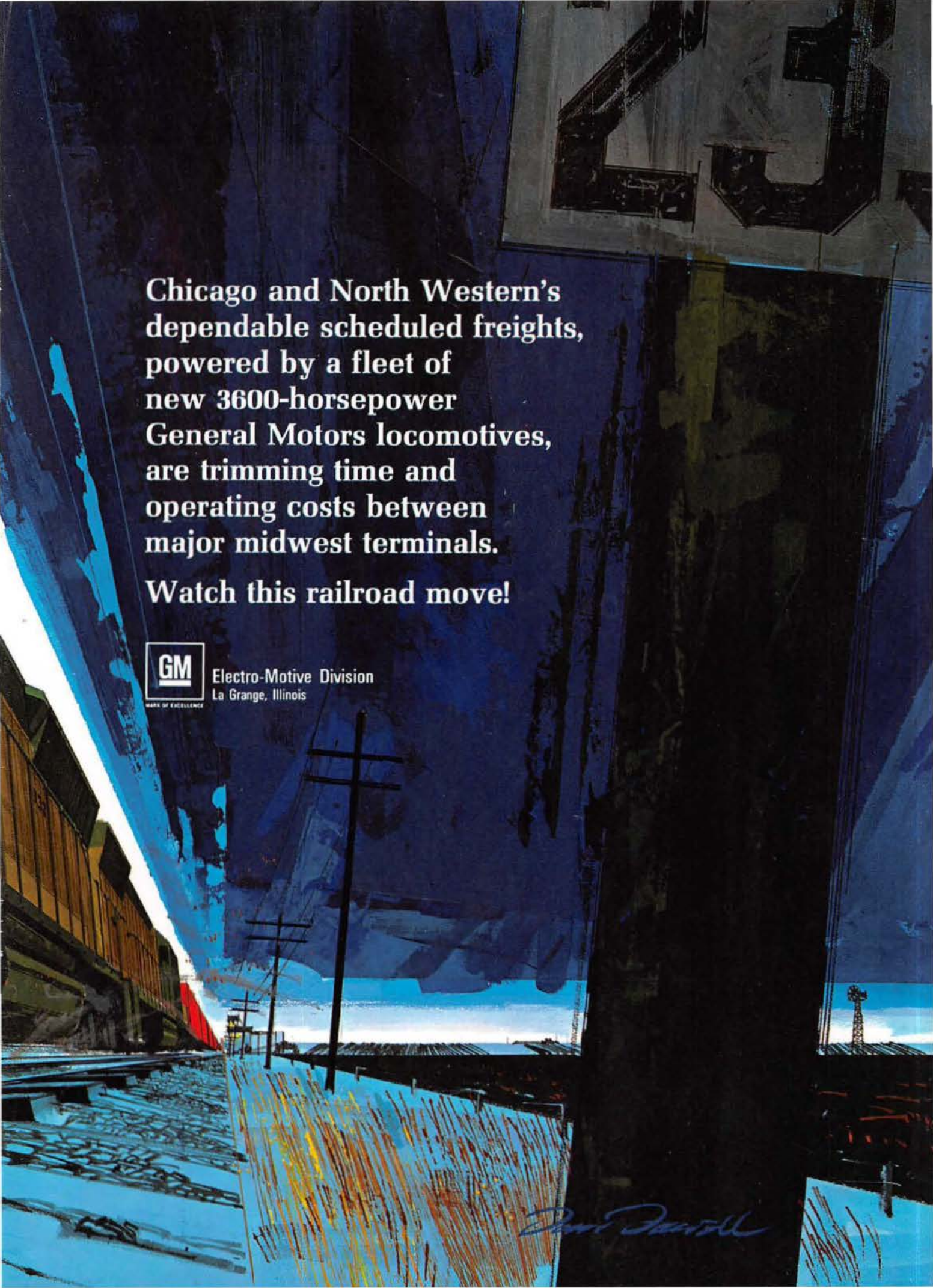
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dependable scheduled freights,
powered by a fleet of
new 3600-horsepower
General Motors locomotives,
are trimming time and
operating costs between
major midwest terminals.
Watch this railroad move!
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HOW SHIPPERS RATE RAILWAY AGE

"Keeps industries informed of the latest improvements"

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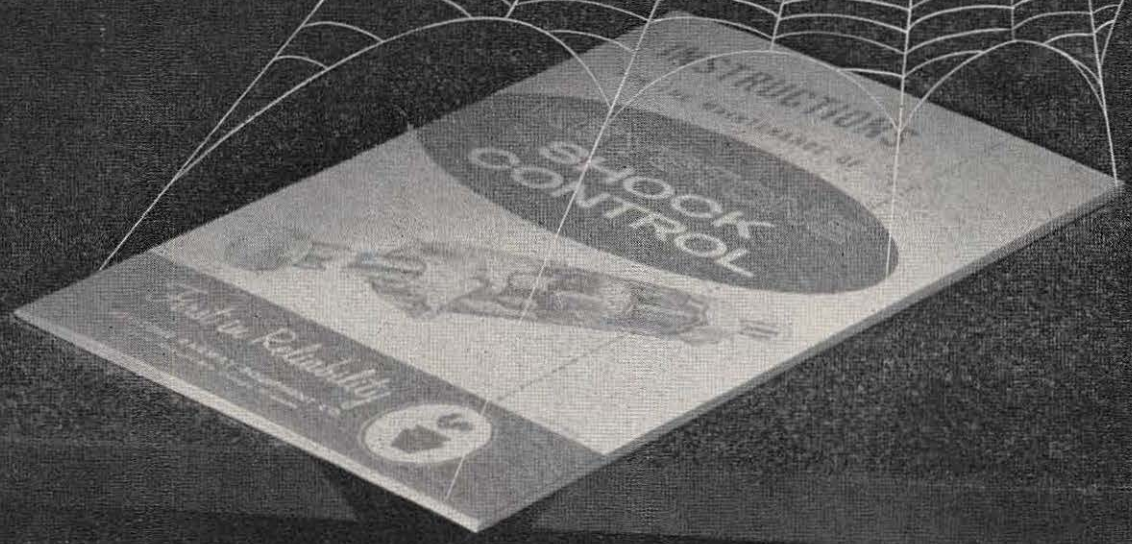
"We look forward to receiving each issue of Railway Age.

"This publication keeps industries informed of the latest improvements of equipment, trackage, and other items of importance which are necessary to compete in today's markets."

Paul A. Harmon

MEMO

TO ALL KEYSTONE SHOCK CONTROL USERS WITH UNITS IN SERVICE OVER ~~8~~ 10 YEARS...



In case you're wondering if or when the Keystone SHOCK CONTROL Unit will have to be returned to the factory for maintenance or repairs, FORGET IT!

The KEYSTONE SHOCK CONTROL Unit should outlast the life of the freight car in which it is installed *without any repair other than seal replacement.*

Seals, we know from experience, will last at least ~~nine~~ eleven years. A set of seals costs $22.50. One man can install them in a unit in approximately 30 minutes.

Many competitive type devices require a return to the factory. *Shipping charges alone for this return will exceed the cost of Keystone seals and replacement procedure.*

Let a Keystone Sales Representative show you what these savings can mean to you over the lifetime of your freight cars.

KEYSTONE RAILWAY EQUIPMENT COMPANY
DIVISION OF KEYSTONE INDUSTRIES, INC.
General Offices: 310 S. Michigan Avenue • Chicago, Illinois 60604
Manufacturing: Camp Hill, Pennsylvania 17011

Sales Offices: San Francisco, California • Chicago, Illinois • St. Paul, Minnesota • St. Louis, Missouri • Omaha, Nebraska
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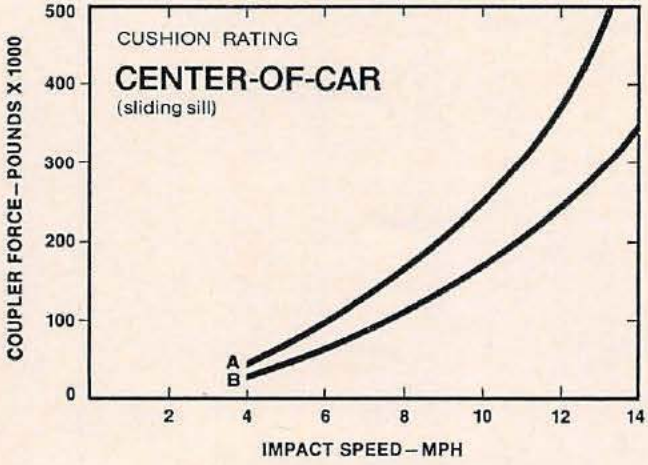
CUSHIONING TESTS PROVE ACF FREIGHT-SAVER™ PROTECTS BEST.

Give your ladings a break, not breakage. Specify ACF Freight-Saver cushioning for your cars.

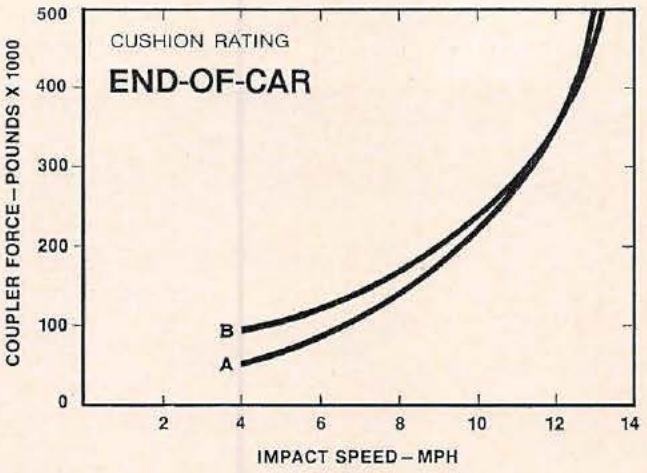
Recent independent tests prove Freight-Saver units cushion best. They give greater protection to ladings for fewer damage claims, and they require minimum maintenance for longer life.

The tests were conducted according to rigid AAR specifications. Here is how Freight-Saver center-of-car units compared with a typical sliding sill device. Both units have 20" of travel.



Curve A: Typical 20" sliding sill unit rates at 500,000 pounds coupler force at 13.2 mph.
Curve B: ACF's Freight-Saver 20" center-of-car sliding sill unit rates at 340,000 pounds coupler force at 14.0 mph.

And here is how ACF's Freight-Saver end-of-car system measures up.



Curve A: Competitive 15" end-of-car cushioning rates at 500,000 pounds coupler force at 13.0 mph.
Curve B: ACF's Freight-Saver 15" end-of-car cushioning unit rates at 500,000 pounds coupler force at 13.2 mph.

That's protection. And Freight-Saver has more to offer: Better impact behavior characteristics and unsurpassed reliability.

Freight-Saver never goes "solid." Because there's no metal to metal contact, there is almost no wear in buff and draft. Its unique self-contained air spring provides positive recentering without the lash-back characteristic of mechanical spring recentering systems.

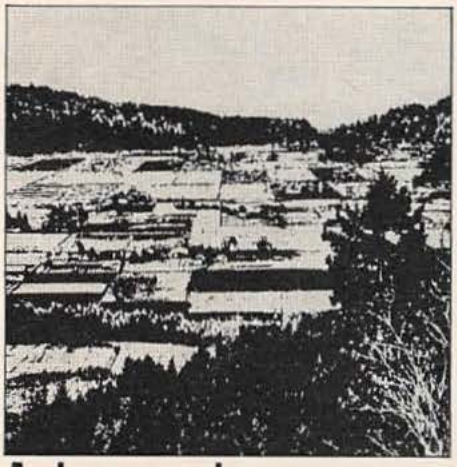
Thinking about a plant site? We can give you some pretty good reasons for getting in touch with Northern Pacific. For one thing, there's land available. Lots of it between St. Paul and Seattle. And there's plenty of water, cheap power and good labor, too.

For another thing, we've got information. Facts you need to have to make a sound selection. What we don't know, we can find out. NP men living along the line are working through the local communities and deal with these facts every day.

Thinking about a new distribution warehouse, an expanded manufacturing facility, new markets to tap, new people to reach? Think of the Northern Pacific's Northwest. Call the NP representative nearest you.

Or contact George R. Powe, General Manager, Properties and Industrial Development, Northern Pacific Railway, St. Paul, Minnesota 55101. The phone is 612-222-7773. He'll be glad to send you a words-and-pictures tour booklet of our area.

This is the way to run a railroad. The way we run the Northern Pacific.



And we can show you over 2 million acres of space ready for development.

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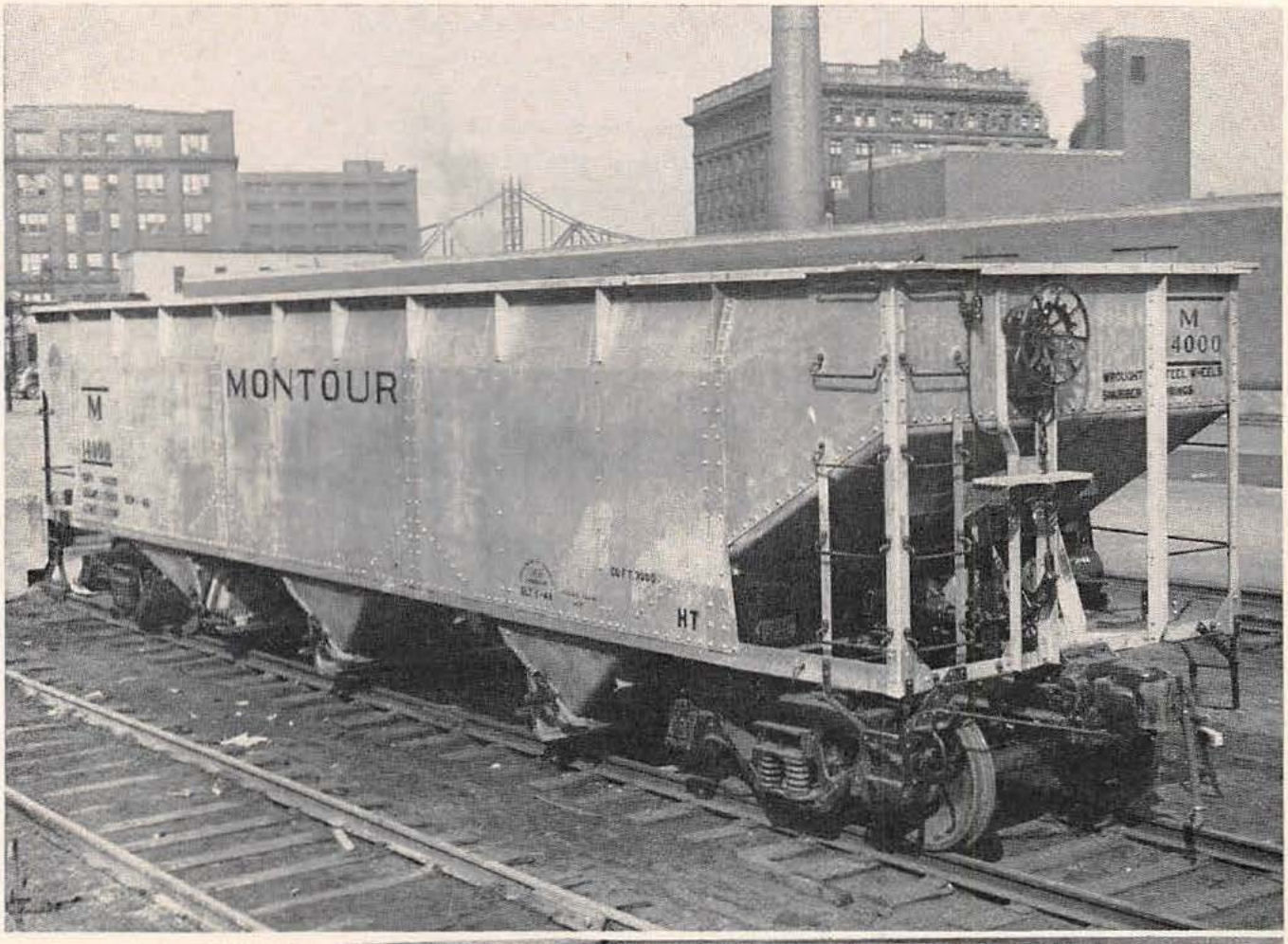
Circle 24 on coupon page 54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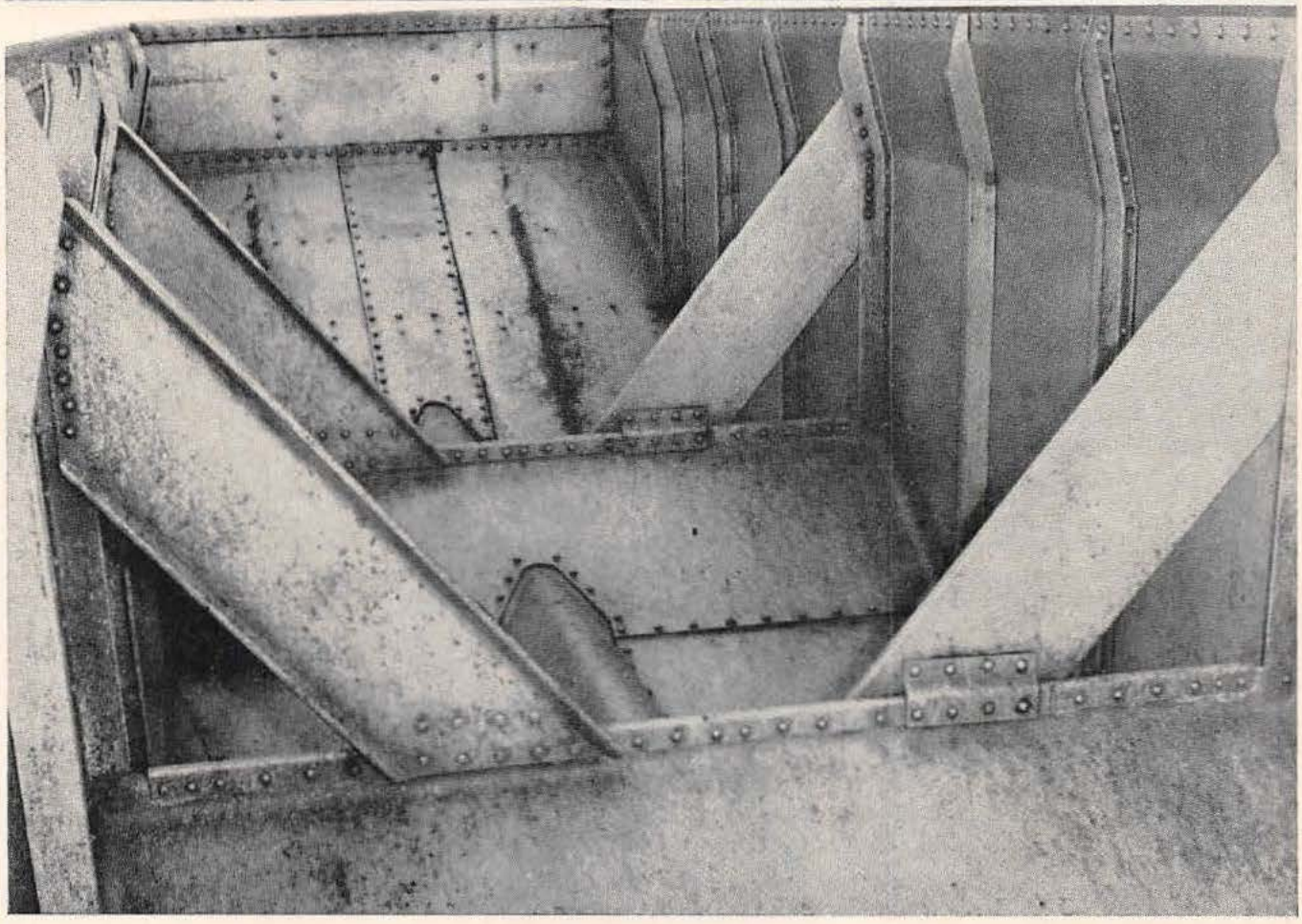

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For the past 23 years, this aluminum coal car has been rotary-dumped on the average of twice every three days. It still has a lot of life left. It's Alcoa® Aluminum. (The Montour 14000 was built in 1946 by American Car & Foundry.)

Tests over a 30-year period on aluminum and steel hoppers in a corrosive environment have shown that aluminum retains nearly four times the tensile strength of steel. In fact, other materials failed after 17 years, while the aluminum hoppers still had years of service left after 30.

Long life, extra payload—up to 8 tons in a 100-ton car—and low maintenance are some of the features that aluminum offers the transportation industry. The men who know aluminum best are at Alcoa. To find out more about the advantages of aluminum, send this coupon.

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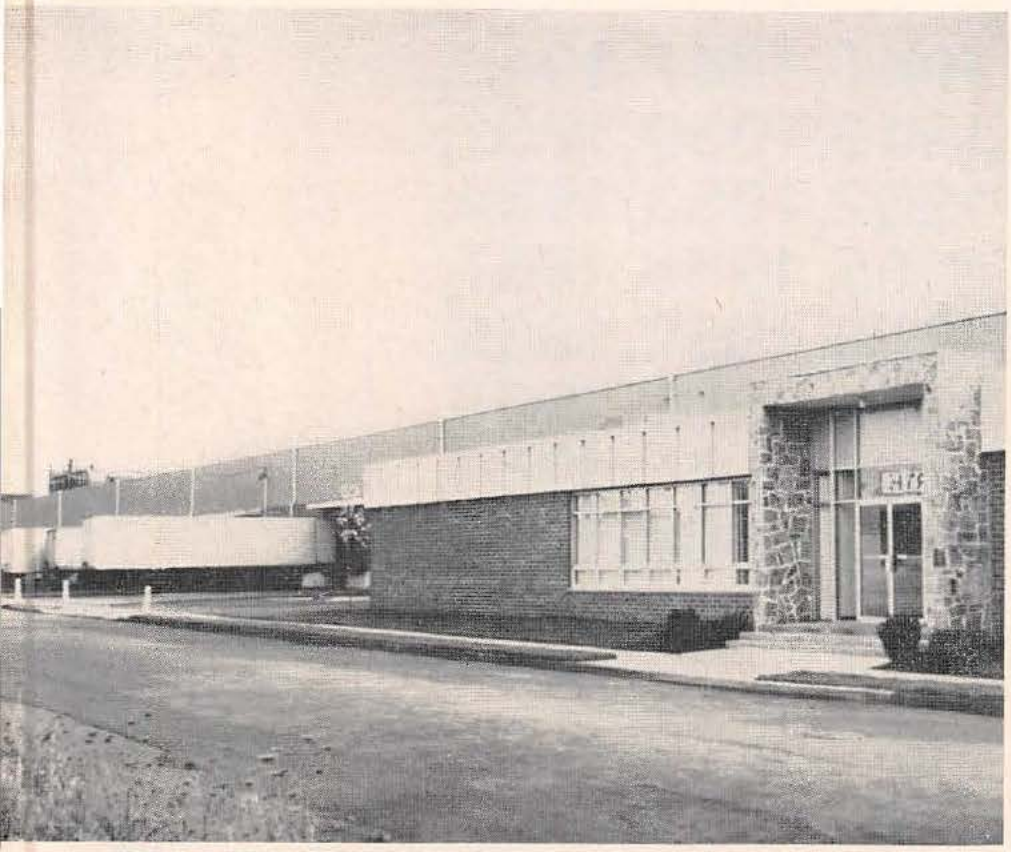


THE H. J. HEINZ DISTRIBUTION FACILITY in Harrison, N.J.—". . . 6 acres that were broken into 14 parcels by bisecting streets . . . occupied by a bridge. . . ."

New ID approach: Vest-pocket parks

New industrial development concept turns small "problem sites" into distribution points that add much to the road's traffic.

IKE HELLER; turning former liabilities into money-making assets.

VINCENT J. FLOYD; Penn Central's director of industrial development.

By PHILIP HARRISON
ASSOCIATE EDITOR

"Vest-pocket distribution parks" in Harrison and Kearny, N.J., are adding hundreds of thousands of dollars a year in freight business to the Penn Central, and show promise for an even greater capacity in the future of railroad industrial development.

What is a "vest-pocket distribution park"? Generally, it involves (1) the development of small problem properties along the railroad's right-of-way, (2) solving the land problems, and (3) placing rail-served industries on it. Ike Heller (I. Heller Construction Co., Kearny, N.J.), innovator of the "vest-pocket" concept, explains it this way: "Industries would like to be in a large industrial park with a lot of grass and rolling countryside. But this just doesn't exist in the close-to-market areas where only small lots of problem land are available. We buy these problem lands from Penn Central, guarantee to clear up the problems, and put only rail users on the property—in fact, Penn Central must approve a potential tenant. In developing these problem lands, we build into them this industrial park atmosphere, giving our clients a close-to-market location with the degree of image they deserve and at a price they can afford."

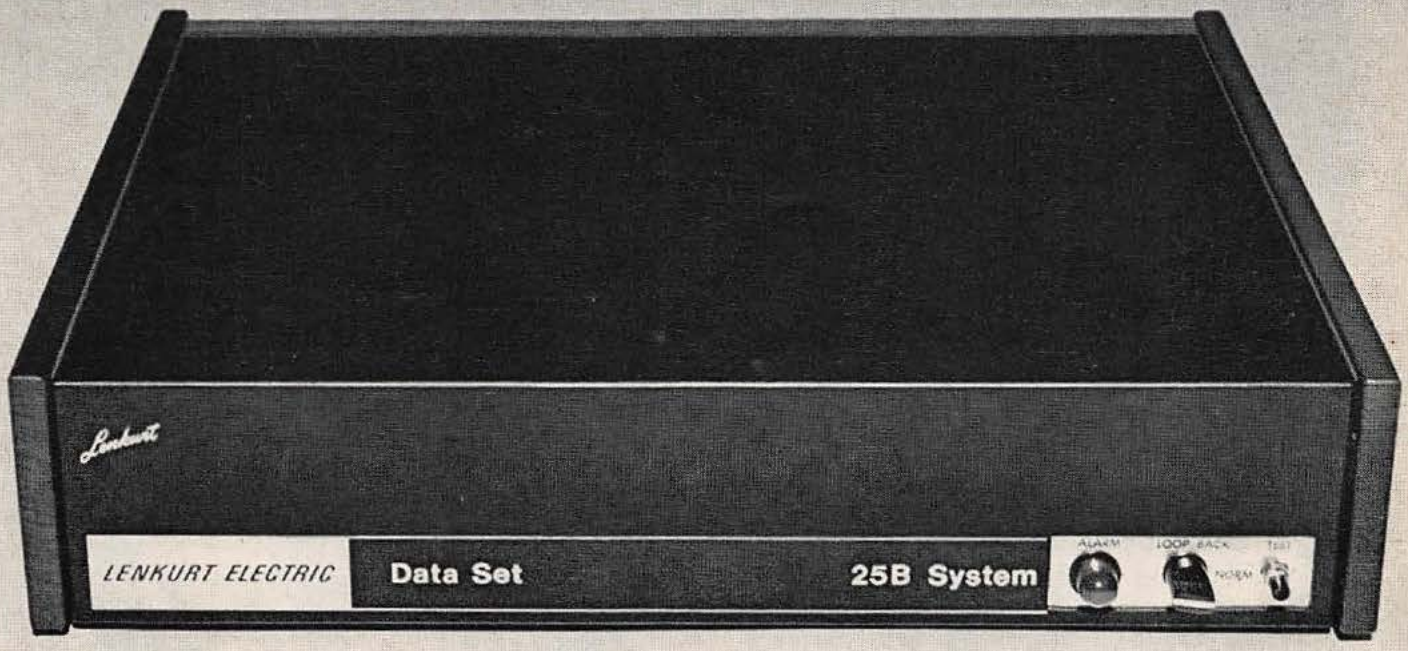
● **PC's program.** The industrial development program of the Penn Central is a good case in point. Penn Central operates almost 22,000 miles of track in 16 states and provinces of Canada, and has the largest industrial development program of any railroad in the country. It has 12 industrial development managers with a full-time staff of 57 people. Last year, 567 new and expanded industries were located in 301 communities along the railroad's lines. This is expected to bring in annual revenues of more than $39 million from more than 171,000 carloads of freight. Penn Central has over 11,000 acres of land developed specifically for industrial parks.

"But," explains Vincent J. Floyd, PC's director of industrial development, "we have several thousand acres of small properties, anywhere from one acre to 10 or 20 acres each, with numerous problems—no streets, soil deficiencies, physical obstructions, no utilities, zoning or title difficulties, and unfriendly municipalities—that we just aren't able to spend the time or money on. So where we find these parcels of land near large cities, it seems sensible for us to find people like Mr. Heller to take on some of these projects."

Forty-two-year-old Ike Heller, found-

(Continued on page 52)

Announcing the little black box to end all little black boxes.



The Lenkurt 25B may be the only data modem that really deserves to be called a little black box.

For a modest-sized piece of equipment, it does an amazing job.

It handles computer, telegraph, and telemeter data . . . individually or in combination.

You can transmit up to 25 channels over a single voice circuit. Plug-in filters give you a choice of five data speeds from 75 b/s to 600 b/s.

And you get 20% more speed for a given channel spacing than you've ever had before.

You can use it for single-channel or multi-channel operation. Or as terminal equipment to work into other modems.

People who know our other video, voice, and data equipment won't be surprised to learn that the 25B is fully compatible with Western Electric's 43A/43B. (We've always been very easy to get along with.)

The 25B is a great little black box, designed by a company that really knows data transmission. (And microwave, multiplex, cable carrier, and coaxial cable systems, too.)

Even though to us, it will always be a computer-telegraph-telemeter data modem to end all computer-telegraph-telemeter data modems.

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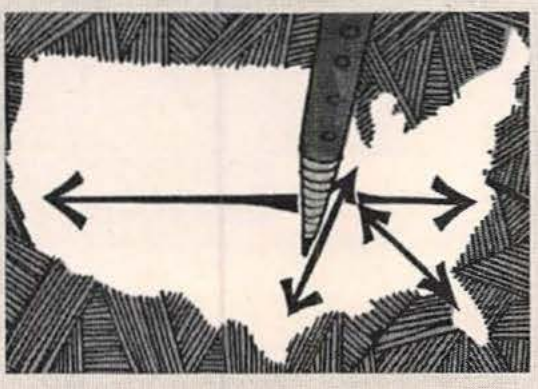
Subsidiary of GENERAL TELEPHONE & ELECTRONICS

Lenkurt Electric Co., Inc., San Carlos, California.

Data Transmission Systems from Lenkurt

Most railroads are either horizontal or vertical. But we know all the angles.



Some railroads have a definite east-west directional flow. With others, it's obvious their main strength lies north-south.

But MoPac is multi-directional. Oh, it's true that we're old hands at heading southward from Chicago and St. Louis to Memphis, Baton Rouge, New Orleans. And everybody knows we swing southwest to Houston, Dallas/Ft. Worth, San Antonio, El Paso and other important Texas cities. But people don't usually think of us as a horizontal railroad.

Yet, the fact is we have some very hot service to the west coast. Daily, Train #61 highballs it from St. Louis by way of El Paso to Southern California for third-morning deliveries in the Greater Los Angeles area. And if you have a hurry-up shipment for the Golden Gate, put it on Train #71. From St. Louis, it swooshes through Pueblo into San Francisco in time to assure 4th A.M. delivery in the Bay Area.

So next time somebody says MoPac doesn't travel east-west, tell 'em where to go: the nearest MoPac agent. He'll prove that for the price, nobody gets cargo to the west coast faster than we do.

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Circle 15 on coupon page 54

Circle 26 on coupon page 54

Cost-cutting HYDRA-SPIKER ...key machine in efficient Nordberg® Tie Gang

Add the money-saving *Hydra-Spiker* to the Nordberg Tie Gang (*Hydraulic Spike Puller, Tie Axe, Tie Handler, Scarifier Inserter, Plate Placer and Spike Straightener*), and you get a combination that's hard to beat.

The Hydra-Spiker will drive rail or anchor spikes in any size tie plate or in any spike hole punching. Smooth hydraulic pressure literally pushes spikes into the tie without even leaving a mark on the head. When spikes are fully driven, pressure is automatically relieved. The Hydra-Spiker is the only machine that uses smooth, *continuous* pressure (2500 psi) to drive the spikes home.

Call or write for information.

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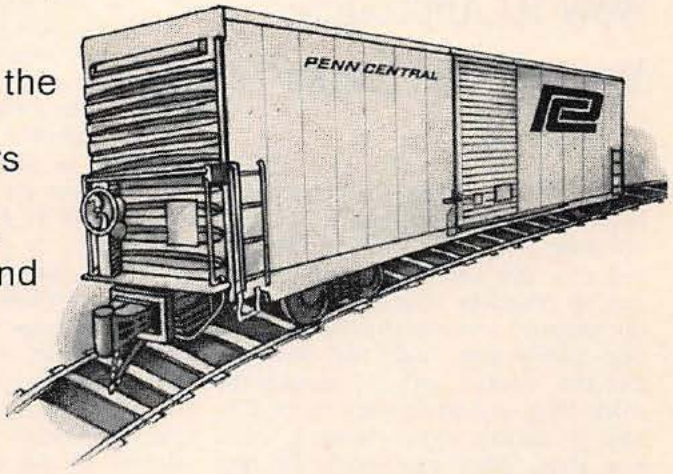
Single operator machine is standard; two man machine is optional

Penn Central introduces the first total distribution program for the appliance industry.

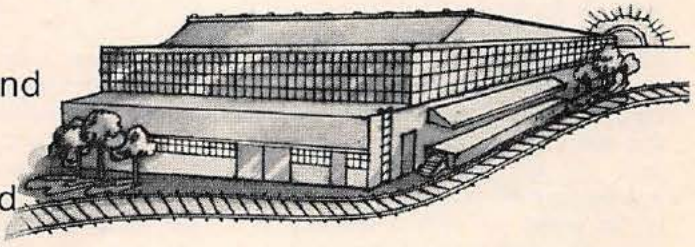
New 60-foot High-cube Cars.

These new cars are capable of carrying more than twice as many appliances as the standard 40-foot cars. They eliminate manual handling. With 10-foot wide doors and Air-Pak bulkheads they save up to 75% in loading and unloading time and expense. And cushioned underframes and Air-Pak bulkheads virtually eliminate transportation damage.



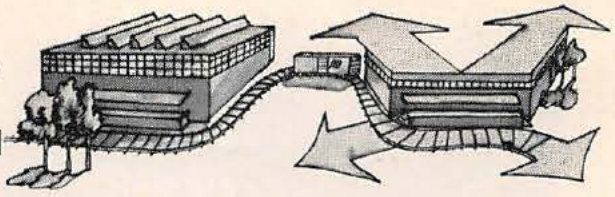
New Warehousing Concept.

Manufacturers' strategically placed distribution centers reduce inventory and speed the delivery of merchandise. Manufacturers will be able to provide distributors and dealers with improved service and quick availability of a wide variety of products.



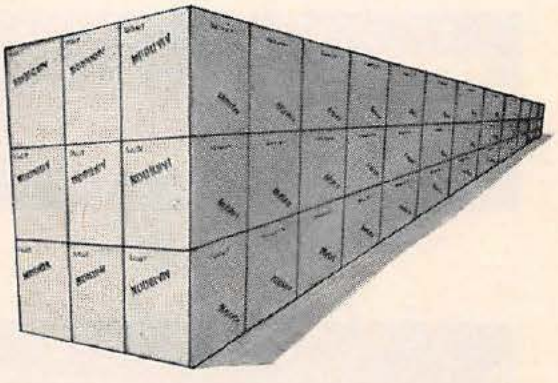
New Streamlined Rail Service.

With this new Penn Central concept comes a more efficient service. Appliances from the production line now move fast to central distribution points. This means improved merchandise turnover.



New Lower-per-unit Rates.

New point-to-point freight rates mean lower-per-unit costs in transporting products to the market place. Savings will run about 10 to 15% depending upon the commodity involved. And this new structure covers all appliances uniformly, thus making a simplified tariff.



Penn Central's new, more efficient distribution program for the appliance industry is just one example of the way our marketing specialists are responding to the nation's distribution challenges.

Our approach involves evaluation of the product, the industry, and the market place. Through creative systems analysis, we formulate the best solutions for your problems of distribution. And the careful research we've directed to appliances can be applied to any industry. In summary—what we do in this new strategy of creative marketing is put together a program of competitive service and sound rates combined with imaginative equipment design.

We're ready to accept your challenge.

PENN CENTRAL

Circle 40 on coupon page 54

New ID approach: Vest-pocket parks

(Continued from page 46)

er of the Remco Toy Co., created his first vest-pocket distribution park in Harrison, N.J. This land consisted of six acres that was broken into 14 parcels by bisecting streets. One-third of the property was occupied by a bridge that hadn't been used for 20 years. But the location, only 17 minutes by truck from downtown New York City and 2 minutes from Newark, N.J., was ideal. After purchasing the land from Penn Central, Heller began working with the local municipality to eliminate the various problems. Not only were five streets eliminated but he was able to swap one parcel of land with the municipality, giving them a parcel that was adjacent to the municipal ball field, and giving Heller a parcel that was contiguous with his area. Ultimately, he ended up with a total of 9½ acres. Owens-Corning Fiberglas has a major distribution center, and H. J. Heinz has one of their largest distribution centers in the country on this site.

Heller has also erected a 21,600-sq.-ft. rail/trucking terminal for Western Electric in Kearny. "The property was being used as a rail head parking and storage area by the Ford Motor Co." said Heller. "Ford's new facility was behind schedule and, as a result, not available to them. So we actualy had to construct our building right in the midst of all the Ford cars—about 3,000 of them!

● **The Kearny experience.** "It was quite a problem because we were in constant danger of damaging these cars. In fact, while the pile drivers were operating—spitting out creosote—we ended up shuttling the cars to the windward. And when the wind shifted, all the cars were shifted!"

Western Electric is now shipping an average of 1,335,500 lb. per week on Penn Central.

Heller not only constructs buildings to the industry's specifications, he also constructs speculation buildings for later modification. Near Western Electric's Kearny site, for example, he has designed a building with as much rail and as many truck doors as possible. The company that goes in there will need all that because the location is ideal for a distribution operation. "It's the best use of the property," says Heller.

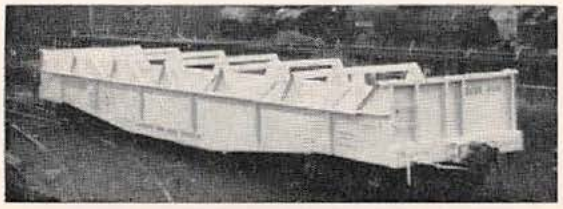
The general idea behind the "vest-pocket" concept—creating usable property for rail users from problem lands—is not new. But, notes Heller, "We're trying to place an emphasis and a modern approach on this."

The actual arrangements behind the sale of the lands by Penn Central are easier than some of the problems that have had to be solved. "When we decide to sell the land," notes Floyd, "all I need to do is contact our real estate department and the job gets done promptly."

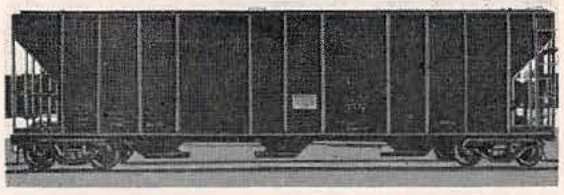
● **Work with the Southern.** Heller's operations are not confined to the Penn Central. Recently, he's begun working with the Southern Railway on a vest-pocket park for Owens-Corning in Louisville, Ky. Heller found a piece of property directly across from the giant General Electric Appliance Park in Louisville. He bought 11 acres and has had to put in a street and have the entire area re-zoned. Besides Louisville, Heller is also building parks in Chicago and Harrisburg.

Local municipalities have welcomed the concept with open arms, for not only does it clean up and develop unsightly problem areas at no cost to them, but it also brings in major industries—a prime source of tax funds. ■

Longest wood tank ever built — holds over 17,000 gals. Completely cushioned underframe.



Design best suited to easy handling of portable containers.



100-ton roller bearing, high capacity, latest design covered hopper.

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Recondition and Repair Your Cars . . . Convert Them to New Design . . . Design and Build New Freight and Tank Cars

We've developed our knowledge, and facilities, for car building through years of actual practice, study and research. In addition, our experience in freight and tank car rebuilding and reconditioning has been most valuable in giving us new and important techniques used in both car design and construction. In response to your inquiry concerning any type of freight or tank car, we'll tell you what can be built, what it will cost, when delivery can be made. We invite your call or letter. Every job unconditionally guaranteed.

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We invite you to visit our plant, look over our facilities and see for yourself exactly how our economical Maintenance Service will pay dividends to your company.

Circle 27 on coupon page 54

HOW FLEXIBLE IS REALCO...

AND THE NATIONAL RAILROAD TRAILER POOL?

REALCO
conforms to the needs of the customer!

In doing so, REALCO takes full advantage of the inherent *flexibility* of large Pool operations. Thus Members benefit from REALCO FLEXIBILITY in equipment design and selection of the builder . . . REALCO FLEXIBILITY in delivery location, in lease plans and maintenance . . . REALCO FLEXIBILITY in trailer repair services and administration . . . and REALCO FLEXIBILITY in a wide array of supplementary services.

REALCO is flexible by design, so we can go where the action is. *Next* time you add to your fleet, it will pay you to get in where the action is. In The National Railroad Trailer Pool. Talk it over now with your REALCO Regional Manager.

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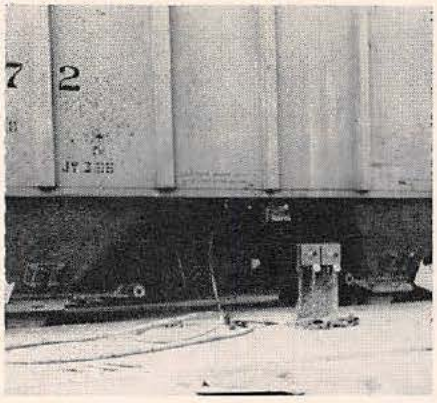
NEW YORK 10017, 219 E. 42ND ST., (212) 557-8863
SAN FRANCISCO 94105, 681 MARKET ST., (415) 391-7523
HEADQUARTERS:
CHICAGO 60607, 433 W. HARRISON ST.

A Subsidiary of ICS Industries

Circle 28 on coupon page 54

NEW PRODUCTS REPORT

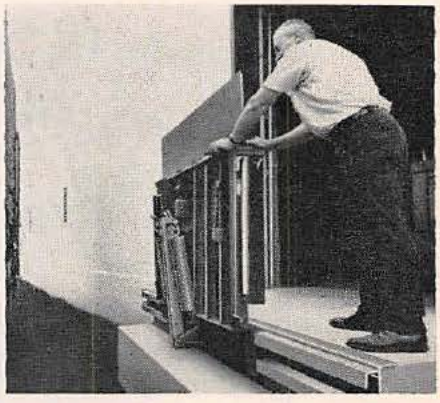


Car unloading unit (RA-1)

With Boot Lift System, covered hopper-car outlets connect to under-track conveyor systems "in seconds." Unit adapts to any under-track conveyor or storage system. It rests between, and is no higher than, the rails; is sealed in position to car outlet by continuous air pressure; and adjusts several inches each side of center. Actuating lever controls lift; spreads boots to meet hopper-door spacing; and applies pressure to seal connection. *Martin Engineering.*

Yard tractor (RA-2)

The Ottawan yard tractor, designed especially for fleet use, is said to provide maximum maneuverability in jockeying truck trailers faster and at less cost. Its short turn radius, combined with extra width frame, provides greater stability when moving heavily loaded trailers. Conveniently located controls in cab permit instant adjustment of unit's fifth wheel system to height of trailer's kingpin. *Ottawa Steel Products.*



Dock ramps (RA-3)

Fully-mechanical-type ramps ride laterally on a 10-ft mounting rail cast in dockface for doorway positioning and lock positively in vertical position when not in use. Capacity of 72-in. platform is 20,000 lb. Ramp lengths vary to meet span needs when dimension of dockface to track centerline is from 8½ to 11 ft. Flared ramps up to 102 in. wide compensate for short-turning-radius conditions on dock. *Rite-Hite.*

Automatic pallet maker (RA-4)

A new automatic pallet maker allows one man to mass produce pallets ranging in size from 30 by 30 in. to 60 by 60 in. and cuts labor costs by 35%. The system consists of a battery of Spotnailers installed in two banks on a moveable beam over a work table. A hand wheel enables the operator to move the beam back and forth over the work table. Each Spotnails gun is mounted with a 2-in. stroke, allowing clearance over the pallet components while permitting the operator to properly gauge where the staple will be driven. The operator can fire all Spotnailers on either bank simultaneously by the push of a button. In addition, the beam has a 1-in. shift to allow double fastening. Finished pallets are automatically lifted off the table and ejected. Staples/nails are always uniformly spaced and accurately spaced in each fastening member. Each stapler moves up and down independently to allow for any irregular surface of the members and to insure that each fastener is driven flush or countersunk, as required for any particular operation. *SPOTNAILS, INC.*

RAILWAY AGE
THE TRANSPORTATION WEEKLY

30 Church Street, N.Y., N.Y. 10007 READERS' SERVICE (Att. J. Lindstrom)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS IN ADVERTISEMENTS NUMBERED: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40

PLEASE SEND INFORMATION ABOUT PRODUCTS DESCRIBED ON PAGE 54 MARKED: RA-1 RA-2 RA-3 RA-4

NAME ..... TITLE .....

ADDRESS .....

COMPANY .....

CITY ..... STATE ..... ZIP .....

• Inquiries can be processed only if title and company are shown. 4/28/69

FreightMaster's
HISTORY
In the Making

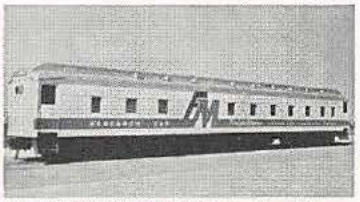
For all their wealth in the 1890's, the industrial barons couldn't enjoy FreightMaster cushioning.

The opulent private railcars created in the late 1800's symbolized the nation's most luxurious method of transportation. The cars incorporated every known comfort, but they still lacked the superior cushioning concept that's found on thousands of today's boxcars.

It's too bad that FreightMaster's extra efficient end-of-car hydraulic cushioning equipment wasn't available. The luxury private cars that crowned this golden era of railroad history could have used our velvet-like cushioning to protect both the cars and their cargo of plush living quarters.

Today, records show that it doesn't cost in the long run to add FreightMaster protection – it pays dividends to the shipper and the railroad. Dividends like reduced damage claims for even the most fragile freight and less possibility of damage to the car structure.

Contact FreightMaster the next time you're considering cushioning systems for a car program. And make a little history yourself.



OUR PRIVATE CAR isn't quite as plush as those created in the last century, but it logs a lot of miles annually as one of the industry's most outstanding mobile research laboratories. Finding better ways to protect cargo and car structures – with modern research equipment like this – is our way of doing the job right.

FreightMaster®

A DIVISION OF HALLIBURTON SERVICES

NEW CONCEPTS OF INCREASED PROTECTION FOR CARS AND CARGO THROUGH RESEARCH

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11

FreightMaster is 10 years ahead.

Want your ideas to carry more weight?

Use the wide range of USS high performance steels available, and hopper cars can gain several tons of payload per trip.

For example, USS COR-TEN A High-Strength Low-Alloy Steel is 40% stronger than carbon steel. It can be used in thinner, lighter sections to reduce weight without sacrificing strength.

USS COR-TEN A Steel has remarkable resistance to atmospheric corrosion—up to eight times that of carbon steel. It holds paint up to twice as long. And with corrosion damage accounting for the major portion of hopper car repair costs, USS COR-TEN Steel becomes a maintenance factor that can't be overlooked.

A lower-priced member of the USS Family of High Strength

Steels is USS TRI-TEN. It provides high strength and toughness, good fabricating and welding characteristics, and high resistance to fatigue.

USS EX-TEN High-Strength Low-Alloy Steel has a ratio of strength-to-cost better than any comparable material. An excellent weight trimmer that can permit thinner plates and sections, USS EX-TEN Steel also has good fabricating characteristics.

Any of these special steels will increase the durability and efficiency of the next freight cars you buy or lease. For more information, write United States Steel, P. O. Box 86 (USS 5625), Pittsburgh, Pennsylvania 15230.

USS, COR-TEN, TRI-TEN and EX-TEN are registered trademarks.

USS United States Steel

MEET THE

...Convertin

...Convertin

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STEEL PLATE

FARM EQUIPMENT

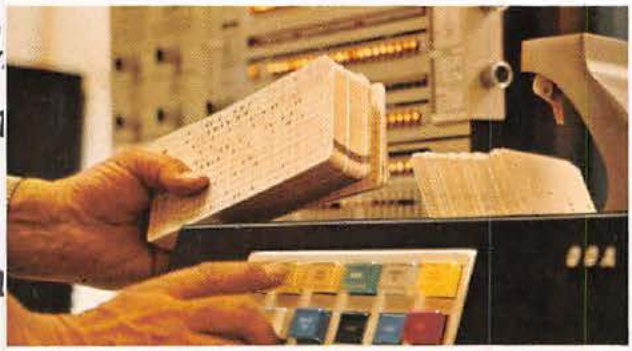
HEAVY EQUIPMENT

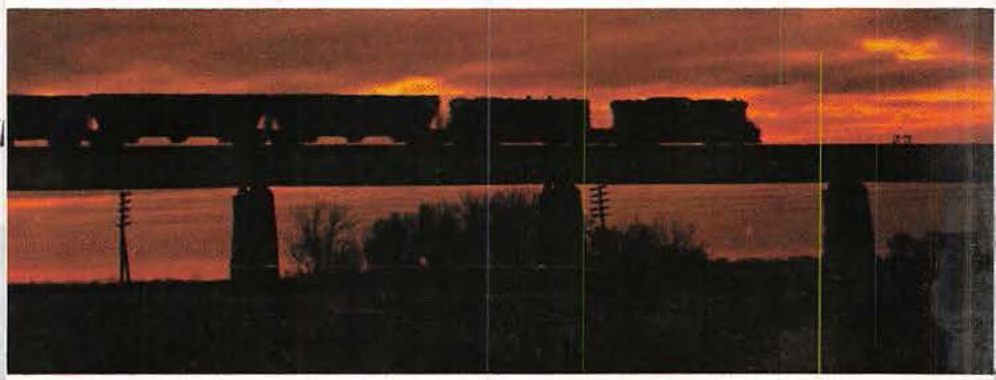
FLAT B

MILITARY

Brandon/PORTEC The originators c

L&N... a totally new, dynamic freight service





New sophisticated car tracing computers, new piggyback concepts for faster, more complete distribution, new equipment, new schedules, new local Customer Service Centers. And we're reaching out to serve new territories, too □ Call your L&N Freight Service Representative. L&N is "on-the-move" to slash distribution costs and assist you with every marketing program □

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LOUISVILLE AND NASHVILLE RAILROAD

Steels is USS TRI-TEN. It provides high strength and toughness, good fabricating and welding characteristics, and high resistance to fatigue.

USS EX-TEN High-Strength Low-Alloy Steel has a ratio of strength-to-cost better than any comparable material. An excellent weight trimmer that can permit thinner plates and sections, USS EX-TEN Steel also has good fabricating characteristics.

Any of these special steels will increase the durability and efficiency of the next freight cars you buy or lease. For more information, write United States Steel, P. O. Box 86 (USS 5625), Pittsburgh, Pennsylvania 15230.

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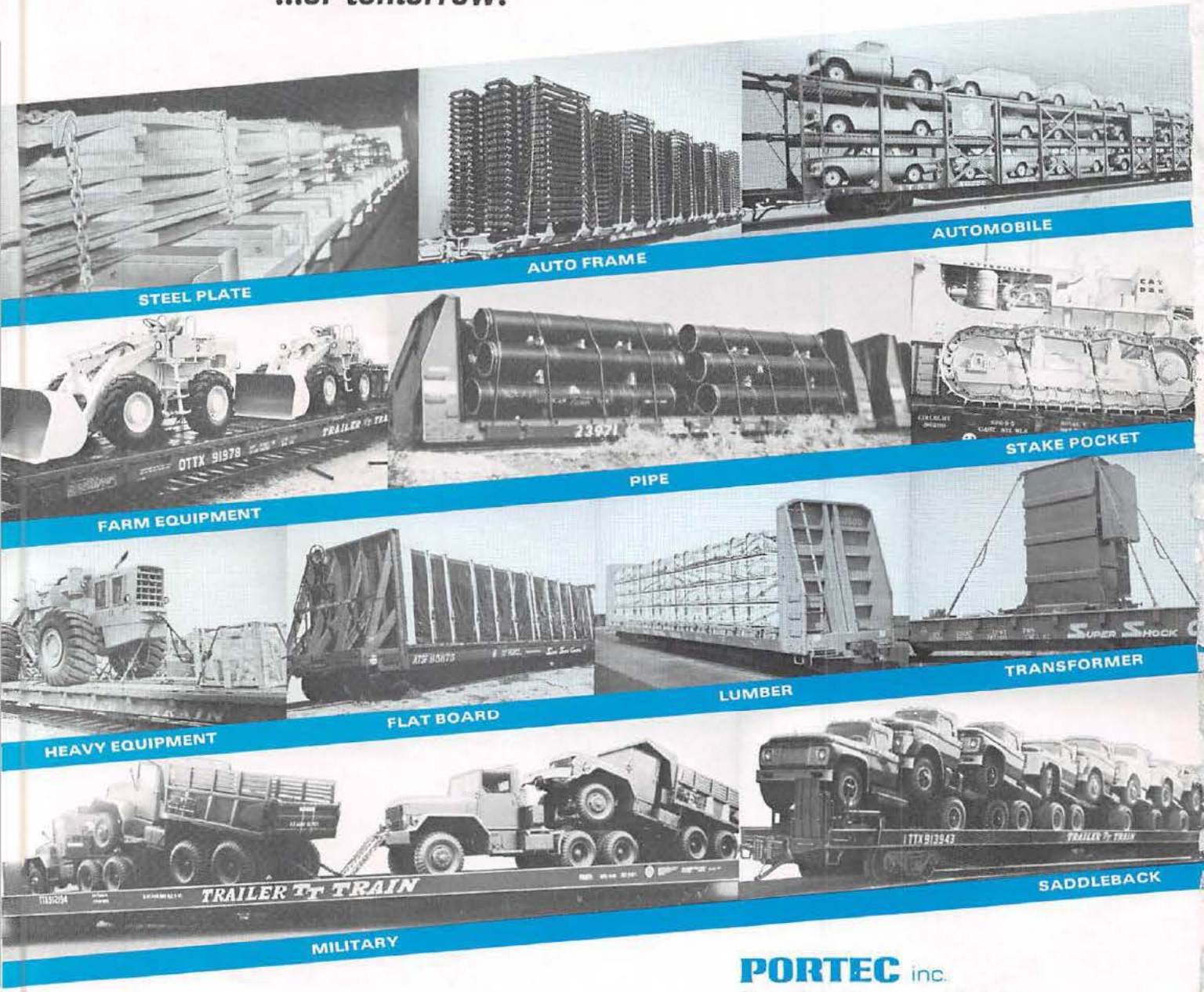
MEET THE "Convertibles!"

...Converting Flat cars to Shipping Systems

...Converting Brandon (The *original* designer, supplier and applier for *all* Tie-Down Systems) to **PORTEC** inc. Shipping Systems Division.

...Converting PORTEC inc. (already a leading Railway Supplier) to a *full line* supplier of the most adaptable load securement Tie-Down Systems available today...

...or tomorrow.



Brandon/PORTEC *The originators of the Tie-Down System.*

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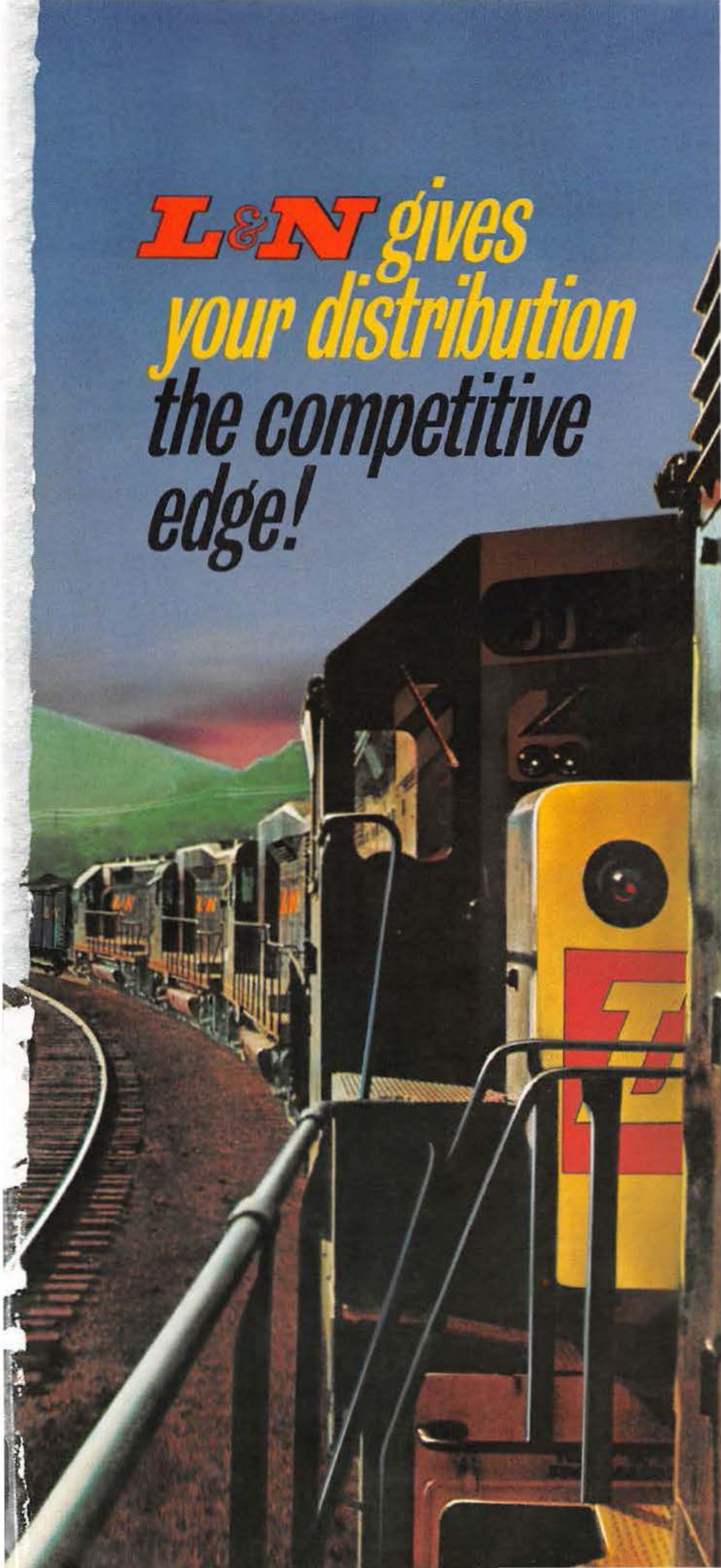
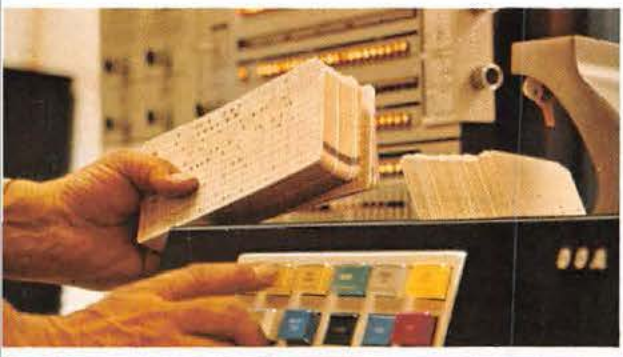

L&N gives
your distribution
the competitive
edge!

L&N . . . a totally new, dynamic freight service



New sophisticated car tracing computers, new piggyback concepts for faster, more complete distribution, new equipment, new schedules, new local Customer Service Centers. And we're reaching out to serve new territories, too ☐ Call your L&N Freight Service Representative. L&N is "on-the-move" to slash distribution costs and assist you with every marketing program ☐

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LOUISVILLE AND NASHVILLE RAILROAD

Car shortages plague shippers

(Continued from page 32)
most of this crop year from late fall of 1968 up to now. The car shortage, coupled with poor service and poor track maintenance, has seriously interfered with the orderly marketing of grain in this area, caused substantial losses to all segments of the trade, and encouraged diversion of traffic to other modes."—Dudley J. Russell, director of transportation, Minneapolis Grain Exchange.

"It has been necessary to make a few shipments by truck due to unavailability of cars."—H.A. Osterhart, director of distribution, Gerber Products Co., Fremont, Mich.

"In many cases it has been necessary for us to ship by truck. If possible, we try to use piggyback but railroads have a shortage of this equipment also."—R.S. Goodge, general traffic manager, Nash-Finch Co., Minneapolis.

"In order to keep our customers we have had to use other modes of transportation, which in many instances has increased the cost to us for delivery."—A.F. Raymond Cook, general traffic manager, Ludlow Corp., Needham Heights, Mass.

Equipment shortages mean "some production delays and a vast amount of tonnage moved other than rail, at considerable cost to us and lost revenues to carriers."—E.F. Mundy, vice president, National Biscuit Co., New York.

● **What to do about it.** How can the equipment shortage be alleviated? The obvious answers are heavier car buying, relieving congestion, getting cars over the road faster. E.J. Davis, director of traffic, Caterpillar Tractor Co., Peoria, Ill., has another suggestion: increased per diem.

"I am firmly convinced now that we have increased demurrage charges that a like increase should be made in per diem," says Davis. "The increase in demurrage is certainly an incentive for the shipper not to hold cars and use them for storage; and a similar increase in per diem would certainly be an incentive for the railroads to return the empties faster.

"While I realize it is impossible, if the carriers could have sufficient cars of the right kind in the right place when needed, they would be in a position to handle enough additional business that I am sure some of the rate increases they have asked for over the past few years would not be necessary. Railroads have spent billions of dollars on plant improvement but, on many shipments today, the transit time is twice what it was 25 years ago." ■

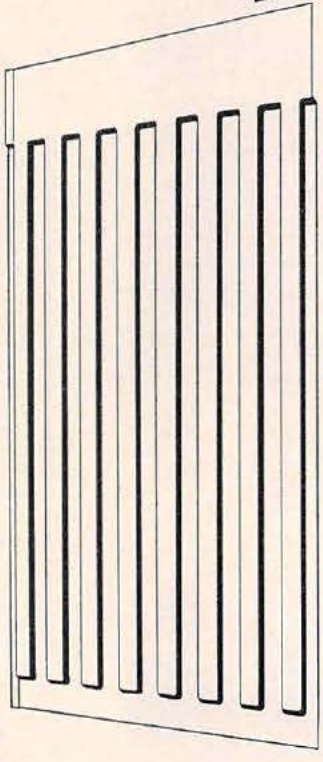
PROTECTING RAILROAD CARGO SINCE 1897

Being oldest is one thing. Being best is something else. Tyden is both – as more than 90% of North America's railroads testify by their exclusive use of the Tyden Seal. Should you be among the few who haven't gotten the word, please write today for free samples and details. We're not too old to move fast.

THE TYDEN SEAL COMPANY
Division of The Viking Corporation ☐ Hastings, Michigan 49058

Circle 33 on coupon page 54

NEW! GLASBORD® RIB PANELS HIGHLY IMPACT & ABRASION RESISTANT



This all new GLASBORD RIB PANEL is a versatile configuration—precision molded to provide maximum panel strength and a superior surface finish. The configuration is the convolute type as shown by the illustration, and features an easy-to-seal lap joint for simplified installation.

The ribs of the GLASBORD PANEL are wide with plenty of load-holding surface. They are properly spaced for adequate air circulation, yet close enough to hold back even small cartons. These wide ribs with well rounded corners prevent damage to hanging meat carcasses, and easily deflect glancing blows from pallets and fork lifts.

Steam cleaning and immediate cooling to subzero temperatures have no adverse effect on GLASBORD RIB PANELS.

A variety of lengths and widths is available.

ASK FOR BULLETIN 69.

kemlite

KEMLITE CORPORATION
Dept. RA
P. O. Box 429, Joliet, Illinois 60434

Circle 32 on coupon page 54

Robert H. Shober
GN

C. V. Lund
Milwaukee

N. E. Smith
Milwaukee

F. P. Drew
Milwaukee

PEOPLE IN THE NEWS

GREAT NORTHERN.—Robert H. Shober, superintendent, Willmar division, Minneapolis, appointed general manager, lines east, to succeed **Reginald N. Whitman,** who has become federal railroad administrator, Department of Transportation. Mr. Shober's successor is **William S. Byrne,** superintendent, Spokane division, Spokane, who in turn is replaced by **Thomas W. Mackenroth,** transferred from the Montana division, Great Falls, Mont. **David S. Nelson,** terminal manager, Spokane, succeeds Mr. Mackenroth, and in turn is succeeded by **David H. Burns,** staff assistant in the office of the vice president-operations, St. Paul. **T. C. Whitacre** named staff assistant-operations, St. Paul. **B. J. Stasson,** general lease agent, becomes assistant land and tax commissioner, succeeding **M. E. Frey,** who retired recently after more than 39 years' service. **A. W. Grauel** replaces Mr. Stasson.

Edward W. Bergstrom, manager of pricing, Pacific Coast, Seattle, retired recently after 49 years of service.

MILWAUKEE.—C. V. Lund, assistant chief engineer-structures, Chicago, appointed special assistant to vice president-chief engineer there. Mr. Lund's sucessor is **N. E. Smith,** bridge engineer, Chicago, who in turn is succeeded by **F. P. Drew,** senior assistant bridge engineer, Chicago.

INDUSTRIAL TRAFFIC

V. J. Baione appointed manager, export-import transportation, **Combustion Engineering, Inc.,** Windsor, Conn. **A. G. Story** named manager, transportation planning and services. **E. R. Kitchen** appointed supervisor, export-import transportation.

A. M. Gallagher, assistant district traffic manager, **American Sugar Co.,** Boston, promoted to district traffic manager there, succeeding **John Hogan,** who retired March 1.

Edward A. Metcalf, assistant to district traffic manager, **Bethlehem Steel Corp.,** Chicago, promoted to assistant district traffic manager there. **Carl W. Eckenrode,** traffic representative, Steelton, Pa., plant named assistant district traffic manager, Burns Harbor, Ind., plant. **Robert E. Hassler,** senior transportation assistant, Bethlehem, Pa., succeeds Mr. Eckenrode at Steelton.

Mrs. Myrtis Pearce has been named assistant traffic manager for **AMF Beaird, Inc.,** Shreveport, La.

Master Transportation Computing Corp., Minneapolis, has acquired **Taylor-Anderson Co.,** traffic consultants. **Donald B. Taylor,** president of Taylor-Anderson, has been named a vice president of Master Transportation.

FROM HOOP TO BUSTLE TO MINI

Rock Island

WE'VE SEEN 'EM ALL . . . AND SOME ZANY STYLES IN BETWEEN.

LET'S FACE IT.
WE'RE AN OLD COMPANY.

Some organizations our age stagnate. Some are hide-bound.

And some are able to bridge the generation gap, using the best ideas from both young talent and old heads.

THAT'S US.

RESULT?

IMPROVEMENTS GALORE.

Better terminal operations. Better maintenance of track and equipment. Better scheduling. Better tracing and car control. Closer supervision. Higher morale.

WHO BENEFITS?

You shippers. And in the only way that means anything—better service. Call us.

ROCK ISLAND LINES

Circle 34 on coupon page 54

THE STEEL INDUSTRY NEEDS THESE CARS

ITEM	1. BOXCARS	2. COVERED GONDOLAS	3. FLATCARS	4. JUMBO GONDOLAS	5. REGULAR GONDOLAS
Inside Length	60'0"	52'6"	53'6"—75'0"	65'6"	52'6" Min.
Inside Width	Maximum Obtainable at 60'0"	9'6"	Max. Width Permitted by Plate "B"	9' Min.	9'6" Min.
Inside Height	Door Height 10'9"	60"		66"	48"
Height Floor Above Rail	46"—48"	40"—44"	42"—44"	40"—44"	40"—44"
Capacity	100 Ton	100 Ton	70 Ton 100 Ton	70 Ton	100 Ton
Floors	Heavy-Duty Wood; Nailable Steel; or Composite	Heavy-Duty Wood; Nailable Steel; or Composite	Heavy-Duty Wood or Steel	Heavy-Duty Wood; Nailable Steel; or Composite	Heavy-Duty Wood; Nailable Steel; or Composite
Ends	Reinforced — With Smooth Wood Face	Reinforced — With Smooth Wood Face		Drop Ends	Drop Ends
Cushioning Requirements	Sliding Sill and End of Car Cushioning	Cushioning	Cushioning—53'6" Cushioning—75'0"	Sliding Sill and End of Car Cushioning	Cushioning
High-Capacity Cushioning Device Equivalent to 18" Minimum Travel Sliding Sill Unit as Recommended in AAR Test Report MR-443. Also Must Satisfy Current AAR Specification M-921.					
Blocking Devices	Heavy-Duty Bulkheads (1 Piece)—Operable by One Man, 4 Per Car & Capable of Restraining 40,000# to a Height 4' Above Floor and Along Vertical Center Line of Bulkhead — or DF Cross-members of Equivalent Capacity	Equipped with four Steel or Wood-faced Bulkheads	Bulkheads	Floor Bearing Pieces and Side Uprights	None
Door — Width	16'				
Door — Height	10'				
Stake Pocket Spacing			Along Side—4'0" Max. Along End—4 Pockets		
Trucks	Must be Equipped with Device to Dampen Vertical Ascillation				

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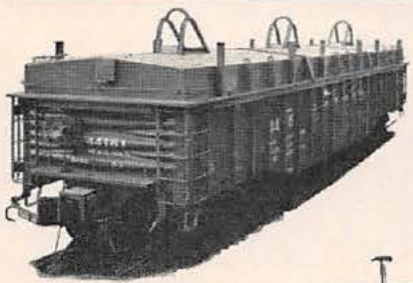

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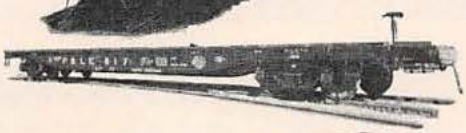

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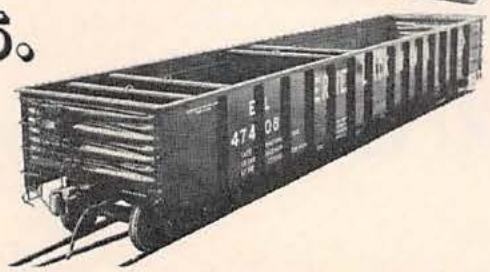


If they've been talking to you you should be talking to us.

The steel industry's products continue to change. As a result they see a need for more efficient cars. Greenville has been building the kinds of cars steel shippers want. Many have been in service for long periods of time. They're proven designs. If you're ready to talk about your needs, talk to Greenville. We're ready to start building.

GREENVILLE
STEEL CAR COMPANY
Subsidiary of Pittsburgh Forgings Company
GREENVILLE, PENNSYLVANIA

Circle 7 on coupon page 54

Clinton R. Black, III
GATX

William J. Gallagher
Automation Ind.

O. L. Adkins
Barco

William F. Reece
REALCO

Richard W. Gear
Magnus Metal

C. F. Hammond, III
Great Dane

SUPPLY TRADE

Clinton R. Black, III has been appointed director of marketing, **Transportation Division, General American Transportation Corp.** He was previously general manager in the New York office.

Automation Industries, Inc. has named **William J. Gallagher** general manager of the **Sperry Division.** The division, which includes **Sperry Products** and **Sperry Rail Services,** is headquartered in Danbury, Conn. Mr. Gallagher was formerly in charge of **Sperry Rail Services.**

O. L. Adkins has been appointed manager of OEM railroad sales, **Barco Division, Aeroquip Corp.,** Barrington, Ill. He was previously product manager of railroad sales, **Industrial Division.**

William F. Reece has been named director of sales and operations, **REALCO,** with headquarters in Chicago. Mr. Reece was formerly account executive, **Aeroquip Corp. John M. Lillis,** previously senior staff accountant, **Sinclair Petro-Chemicals, Inc.,** has been appointed controller, **REALCO.**

A. L. Shaw appointed general manager of REALCO's Southern Region, Atlanta, Ga. He was previously director of operations.

Richard W. Gear has been appointed Eastern sales manager, **Magnus Metal Corp.,** subsidiary of National Lead Co., at New York. Mr. Gear was formerly associated with New Departure Hyatt Bearings.

C. F. Hammond, III, has been appointed manager—railroad and marine sales, **Great Dane Trailers, Inc.,** Savannah, Ga. Mr. Hammond was formerly assistant sales manager, working in all areas of trailer and container sales.

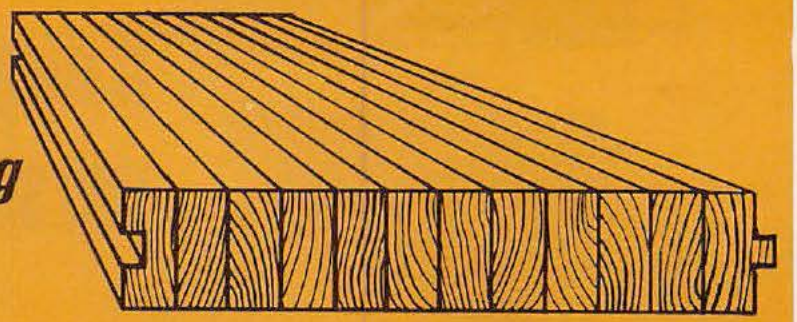
On April 28 the Chicago editorial and sales staffs of **Railway Age** and other **Simmons-Boardman** publications will move to 29 East Madison Street, Zip 60602. The new phone number: 312-641-5815.

John F. Brouthers has been named sales representative, **Magor Railcar Division, Fruehauf Corp.** He was formerly district sales manager, **Alco Products Incorporated.**

Stephen J. Murphy has been named general manager railroad sales, **MacLean-Fogg Lock Nut Co.**

(Continued on page 70)

How long will your railcar decking last? Ten? Fifteen years? Till 1983?



Alger-Deck wasn't manufactured fifteen years ago, but we fully expect it to last fifteen years and longer. We've tested it every way we know, and it passed with flying colors. Stronger per pound than steel, Alger-Deck is made from the very finest grade long-leaf yellow pine. It's laminated edge-grain for a tougher surface and treated with the remarkable Cellon® process for long life.

Get more information and a sample of Alger-Deck by placing a call right now to "Bull" Dozier, AC904 256-3462. He'll be expecting you.

ALGER-SULLIVAN COMPANY

CENTURY, FLORIDA

*Koppers Company, Inc., Trade Mark

Circle 38 on coupon page 54

MARKET OUTLOOK

CARLOADINGS

Loadings of revenue freight in the week ended April 19 totaled 546,173 cars, the Association of American Railroads announced on April 24. This was an increase of 18,422 cars, or 3.5%, compared with the previous week; a decrease of 12,486 cars, or 2.2%, compared with the corresponding week last year; and a decrease of 14,718 cars, or 2.6%, compared with the equivalent 1967 week. Ton-miles generated by carloadings in the week ended April 19 are estimated at 14.4 billion, a decrease of 0.3% below the corresponding week of and the same as for the 1967 week.

REVENUE FREIGHT CARLOADINGS

Commodity	April 12 week	Preceding week	Per cent change
Grain	18,711	19,775	— 5.4
Farm products	12,507	13,013	— 3.9
Metallic ores	22,418	26,188	—14.4
Coal	103,177	95,606	+ 7.9
Crushed stone, gravel & sand	30,719	29,069	+ 5.7
Nonmetallic minerals	10,446	10,430	+ 0.2
Grain mill products	18,562	19,331	— 4.0
Food & kindred products	22,925	23,970	— 4.4
Primary forest products	25,026	26,615	— 6.0
Lumber & wood products (except furniture)	15,552	16,370	— 5.0
Pulp, paper & allied products	24,536	24,970	— 1.7
Chemicals & allied products	35,733	35,097	+ 1.8
Petroleum products	11,472	10,992	+ 4.4
Stone, clay & glass products	22,286	22,247	+ 0.2
Coke	8,954	8,224	+ 8.9
Metals & products	30,059	31,570	— 4.8
Motor vehicles & equipment	22,580	23,497	— 3.9
Waste & scrap materials	14,500	15,371	— 5.7
Forwarder & shipper assn. traffic	6,812	7,491	— 9.1
All other carloads	68,754	72,411	— 5.1
LCL traffic	2,022	2,026	— 0.2
Total cars loaded	527,751	534,263	— 1.2
CUMULATIVE TOTAL, 15 WEEKS	1969	1968	1967
	7,678,245	7,717,229	7,861,116

PIGGYBACK CARLOADINGS

U. S. piggyback loadings for the week ended April 12 totaled 24,761 cars, carrying 40,366 trailers, compared with 24,797 cars, carrying 38,960 trailers, in the corresponding 1968 week. Loadings for 1969 up to April 12 totaled 379,848 cars, carrying 622,396 trailers, compared with 366,208 cars, carrying 596,847 trailers, in the corresponding period of 1968.

IN CANADA

Cumulative	Revenue Cars Loaded	Total Cars Rec'd from Connections
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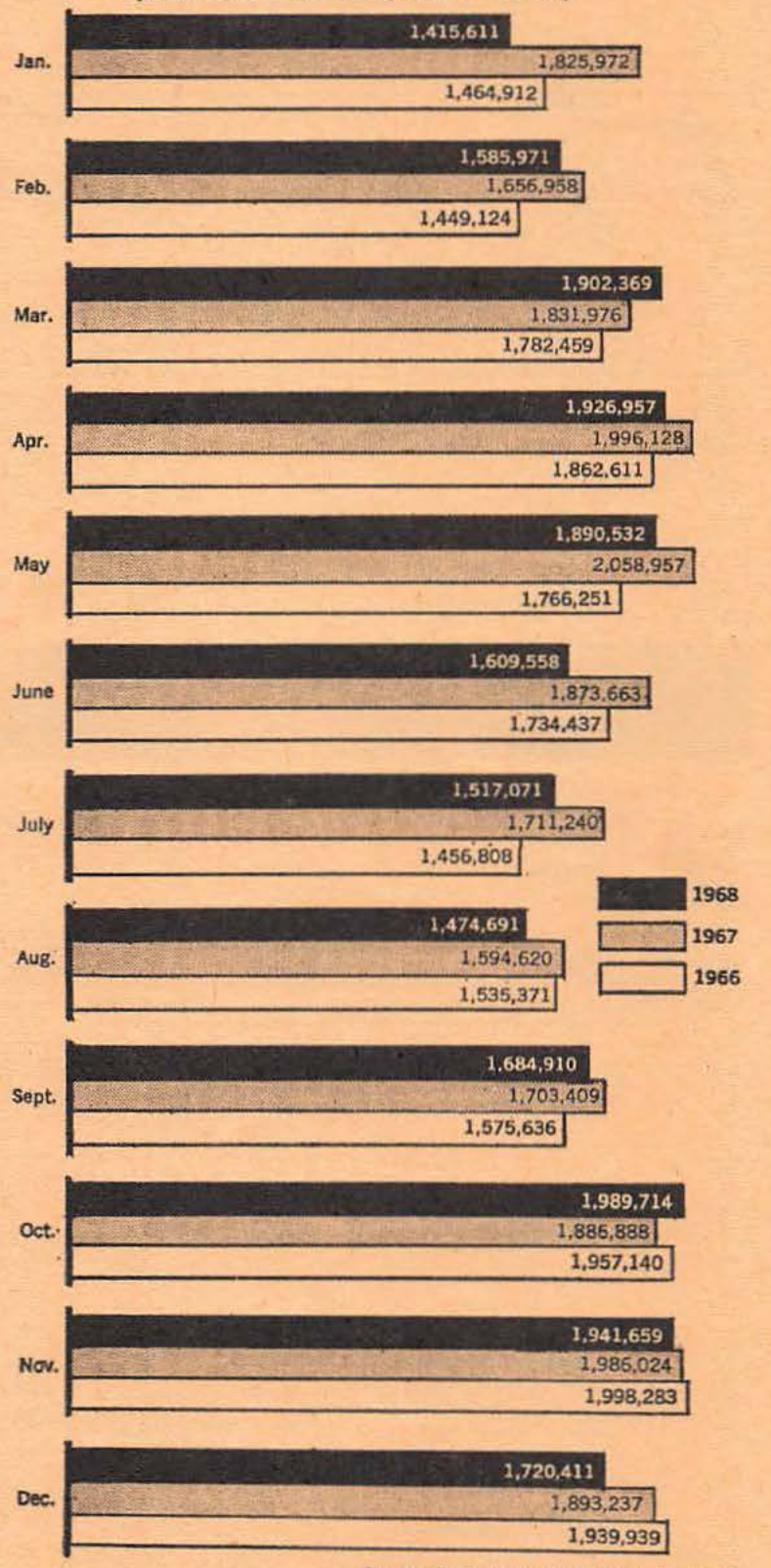
MILES PER HOTBOX SETOFF

(CALENDAR YEARS 1968, 1967 AND 1966)



Source: Operations and Maintenance Dept., Mechanical Division, AAR.

YOU OUGHT TO KNOW

ICI makes another acquisition

Illinois Central Industries is on the expansion trail again—this time with acquisition of 81% of the Chicago real estate and development firm of Seay & Thomas. It's a logical move: ICI has real estate interests with a development value estimated at more than $300 million. Last year, almost one-fourth of ICI's operating income came from real estate and other non-rail and non-manufacturing activities. ICI Chairman and Chief Executive Officer W. B. Johnson had this comment: "Since we started our move toward diversification, we have developed in directions that are a logical outgrowth of our history as a transportation company. We have been a land developer from the very first days of the building of the railroad through Illinois .... Seay & Thomas will give Industries the professional personnel that will enable us to expand the real estate sector of our total enterprise."

C&O/B&O opens library for market research

Marketing specialists of the C&O/B&O are now using a special library that provides a source of complete business and traffic information used daily by their marketing, sales and rate personnel. The library is believed to be one of the first and most complete of its kind on an American railroad and, as part of the increasing scientific approach being applied to railroad transportation, is "attempting to provide the technical and statistical information needed to assure a modern transportation service," says Clair V. Ochs, C&O/B&O director of business research. Computers are among the major contributors to the library's store of information, and all records of U.S. import and export traffic are transferred to microfilm. The library also has an extensive catalogue and cross-indexing system.

Fruehauf trailer orders rise by 26%

Net sales for the Fruehauf Corp. were $120,386,000 for the first quarter of 1969, a 27% increase over the same period for 1968, while net earnings increased by 49% to $5,790,000. Spokesmen attributed the growth of the company's sales and earnings to increased penetration of the new trailer and container market, to extension of automated manufacturing techniques in trailer and container plants, and to the company's expanded production capabilities. New trailer orders were up 26% over the last quarter of 1968 and more than double the first quarter. As a result, Fruehauf's new-trailer backlog has increased 38% over the record high level at the beginning of 1969. During the 1969 first quarter, 14% of the units produced were leased on a 5- to 8-year basis, which has the effect of deferring a portion of the profits to future years.

DOT explores new methods of tunneling

The Department of Transportation has awarded a $92,123 contract to Fenix and Scisson, Inc. of Tulsa, Okla., for the development of improved systems for soft-ground tunneling. The project is funded jointly by DOT's Federal Railroad and Urban Mass Transportation Administrations. It is to be completed within nine months.

IRS proposes increase in highway-use taxes

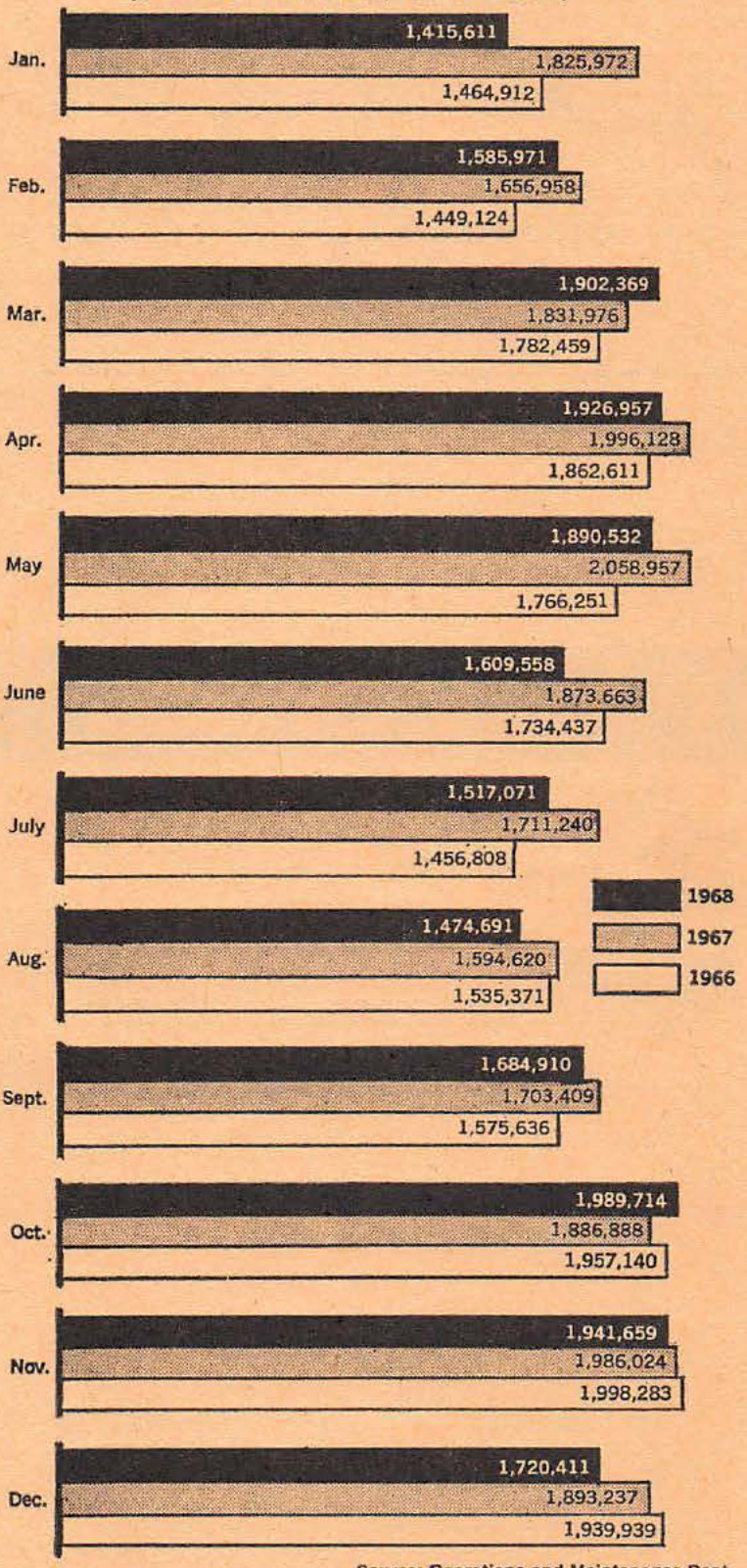
The Internal Revenue Service has proposed a substantial increase in highway-use taxes imposed on trucks weighing more than 26,000 lb. by increasing the number of weight groups from the present 10 to 21. The changes, scheduled to take effect July 1, could increase revenue by as much as 20%.

Cover Photo

For Union Pacific, Magor built 100 65-ft, drop-end gondolas with cushioned underframes—the first of this type. This week's cover photo, taken by Railway Age Art Director Maurice Mates, shows one of the cars in drying area after it has come out of the GRAYCO paint spray booth at Magor's modernized shop in Clifton, N.J.

MILES PER HOTBOX SETOFF

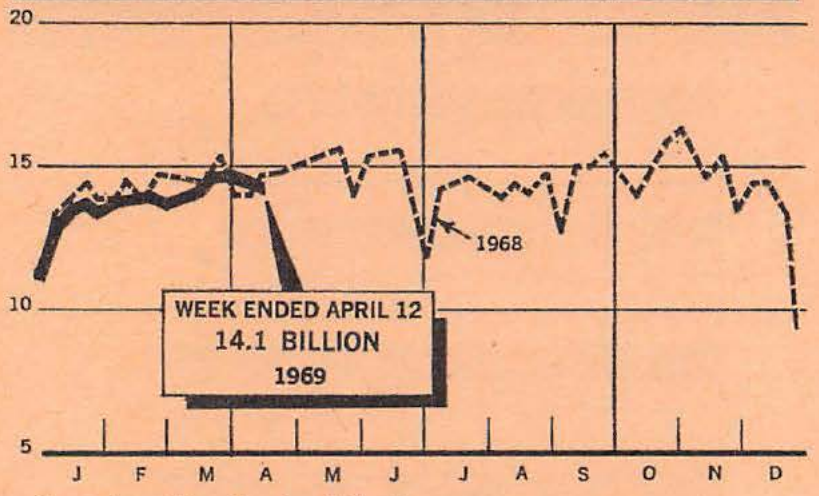
(CALENDAR YEARS 1968, 1967 AND 1966)



Source: Operations and Maintenance Dept., Mechanical Division, AAR.

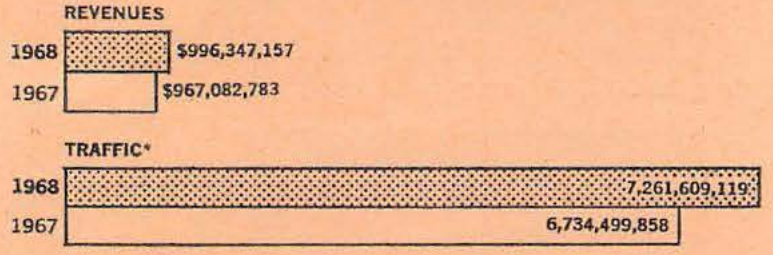
RAIL FREIGHT TRAFFIC TRENDS

BILLION TON-MILES (Estimated)



Source: Association of American Railroads

TRANSPORTATION REVENUE AND TRAFFIC OF OIL PIPE LINE COMPANIES



*Barrels of oil originated on line and received from connection. Source: Bureau of Accounts, ICC. Compiled from reports of 84 pipe line companies with annual operating revenues exceeding $500,000.

Current Statistics

Net income, Class I roads	
Twelve months, 1968	$593,000,000
Twelve months, 1967	$551,000,000
New freight cars on order	
March 1, 1969	33,434
March 1, 1968	24,375
New freight cars delivered	
2 mos., 1969	9,687
2 mos, 1968	10,471
Serviceable cars	
March 1, 1969	1,378,477
March 1, 1968	1,400,628

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FREIGHT-TRAIN CARS

● *Rock Island.*—Will acquire 150 wide-door box cars (rebuilt) from U. S. Railway Equipment for delivery in April. With the addition of these cars and 10 diesel-electric units RI's 1969 power/equipment program now involves acquisitions valued at more than $28 million.

● *Southern Pacific*—Ordered 900 box cars equipped with Hydra-Cushion underframes from Pacific Car & Foundry. With 1969 equipment-acquisition plans still incomplete, SP has already placed orders for more than 5,000 freight cars, 240 locomotives and more than 600 units of highway equipment, at a total cost of about $164 million.

● *Trailer Train.*—Ordered 459 89-ft, 4-in. flat cars as follows: from ACF, 74 standard level cars; from Bethlehem Steel, 83 standard level cars; from Pullman-Standard, 48 standard level, 109 low level, and 145 all purpose cars. TTX has purchased 1,810 new cars since Jan. 1. As of April 15, TTX had 50,362 cars in service or on order.

LOCOMOTIVES

● *Grand Trunk Western.*—Ordered 12 3,000-hp SD40 diesel-electric units from EMD at a cost of more than $3 million. Deliveries are scheduled for August and September.

● *Rock Island.*—Will acquire 10 3,300-hp U33B diesel-electric units to be built by General Electric for delivery in May.

● *Southern Pacific*—Ordered 70 diesel-electric units (horsepower not specified) from EMD and General Electric.

NEW FACILITIES

● *Erie Lackawanna.*—Ordered a SEARCH tester and 130 locomotive test harnesses from Dalmo Victor, a Textron division.

● *PATH.*—Awarded to Bethlehem Steel a $209,950 contract for track crossover and turnout materials as part of the PATH Journal Square Transportation Center in Jersey City.

FOREIGN

● *Pakistan.*—Forty diesel-electric locomotive units and parts for the Pakistan Eastern have been ordered from MLW-Worthington at a cost of $10 million. The order, first for Pakistan of Canadian-built diesels, includes 24 meter-gauge, 1,350-hp units and 16 broad-gauge, 2,150-hp units; all will feature dual control. Delivery will be made during the next 12 months.

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When speeds went over 120 mph... Edgewater was there!

One of the great new advances in railroading has been in completely new concepts of high-speed transportation. An example is the Turbo-Train now undergoing tests and, hopefully, soon to be in daily service. The design of this train is based upon the technology of flight; it is powered by aircraft-type jet engines, its interior and exterior resemble jet aircraft. It has attained speeds of over 170 mph, but initially its operational top speed will be about 120 mph. It rides on Edgewater wheels.

We are pleased that Edgewater wheels have been chosen for this train, as well as for other recent high-speed railroad and urban transit projects.

America's railroads and their suppliers can well be proud of other technological advances—special-purpose cars, high-cube cars, more powerful locomotives. And Edgewater is making every effort to provide wheels that match the progress being made in railroading.

FOR MILESTONES AHEAD:
Using the most modern equipment and techniques, Edgewater metallurgical laboratories study the strength, ductility and other physical properties of steel under stress. Independent research laboratory facilities are employed to test wheels under simulated operating conditions. The objective: to prepare Edgewater Wrought Steel Wheels for milestones ahead.

MEMBER RPI
RAILWAY PROGRESS INSTITUTE

EDGEWATER CORPORATION
P. O. BOX 476 PITTSBURGH, PA. 15230

Circle 35 on coupon page 54

STUDY CAR MAINTENANCE & INSPECTION in spare time at home

Ever notice the respect given someone who knows more about the work than the next guy? It's usually "Ask Joe" or, "See what Joe thinks about this." While that knowledge won't always add to the pay check, it does pay off in great job satisfaction and personal pride. And who can put a dollar value on that?

You can be such a man by taking this two-year course for car department employees whose work requires an intimate knowledge of car maintenance and repair. Two lessons a month, in simple, non-technical language, guide you swiftly to a better working knowledge of the subject. Your lessons will be graded by experienced instructors who give individual, personalized advice as needed. The cost is low and payable in monthly installments. For full information, return coupon.

RAILWAY EDUCATIONAL BUREAU
1809 Capitol Ave.
Omaha, Neb. 68102

Send full information on carman and car inspector home study course.

RA-4/69

Name_____

Address_____

City, State, ZIP_____

Railroad_____

Job title_____

G. E. Stinson
WABCO

C. F. Wert
WABCO

C. B. Ramsdell
WABCO

R. M. Karow
WABCO

Geo. E. Carothers
WABCO

P. E. Dunn
WABCO

(Continued from page 64)

G. E. Stinson is now manager, railway and industrial sales, **Signal & Communications Division, Westinghouse Air Brake Co.,** Pittsburgh. Mr. Stinson was formerly manager, Southwestern Region, St. Louis and has been succeeded in that position by **Leland G. Phillips,** former sales engineer, Chicago. Mr. Stinson succeeded **C. F. Wert,** named manager—marketing, Signal & Communications Division. Mr. Wert replaced **C. B. Ramsdell** appointed vice president and general manager of the division. **R. M. Karow,** former market development manager for Automatic Car Identification equipment, was appointed manager, customer service and order planning.

George E. Carothers, former general sales manager, is now vice president—sales, **Westinghouse Air Brake Division,** Wilmerding.

P. E. Dunn has been appointed marketing engineer—railway and industrial sales, Signal & Communications Division, **Westinghouse Air Brake Co.,** Pittsburgh. He will be responsible for the marketing of WABCO's new automatic car identification equipment.

Vincent A. Middleton has been appointed West Coast District sales manager, **Tank Car Division, Union Tank Car Co.,** with headquarters in San Francisco. Mr. Middleton, who was previously sales representative, Chicago, succeeds **Bruce Fischer,** resigned.

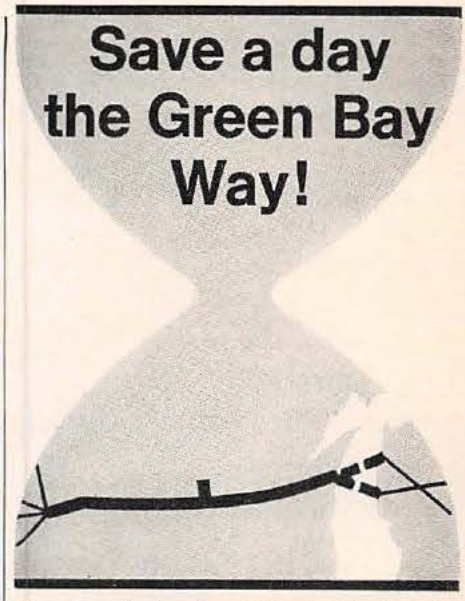
Frank P. Boatwright, supervisor of the service department training center. **Electro-Motive Division of General Motors,** has been promoted to manager of the product installation section.

Railweight, Inc. has established an office at Bala Cynwyd, Pa., which will be headed by **Maurice Buchman,** vice president.

J. D. Aldern has joined **Railroad Accessories Corp.** as a sales and service representative, Philadelphia area. Mr. Aldern spent 25 years in the Signal & Communications Department, **Milwaukee.**

Charles J. Scarcello, general manager, and **Miss Starr Jackson,** traffic manager, **Railease Corp.** (formerly TransGo, Inc.) have moved to new headquarters at 633 Battery Street, San Francisco, Calif. 94111, from 235 Montgomery.

William A. Crane, James F. McDonnell and **Roger G. Kimber** have been appointed sales representatives, **Scullin Steel Co.,** St. Louis, Mo., subsidiary of Diversified Metals Corp.



Here's a fast, direct East-West route offering you seven connections. You by-pass congested cities and terminal delays. Frequent, all-weather train ferry movement across Lake Michigan.

GREEN BAY ROUTE

GREEN BAY AND WESTERN RAILROAD

Circle 38 on coupon page 54

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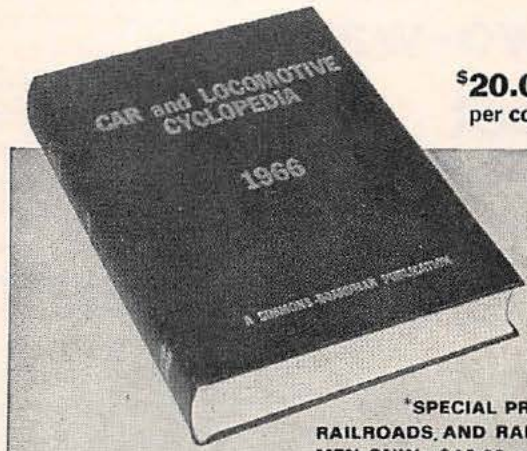

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VIEWPOINT

Freight-car supply: A two-way street

Shippers say there is a serious and disabling freight-car shortage. All the statistics in the world—showing that while the car fleet is down in numbers, it is up in capacity; showing that on a given day there is actually a surplus of cars, not a deficit—will not prove them wrong. The customer is always right. He can always prove his point by moving his business elsewhere.

In our own view, there *is* a car shortage; otherwise shippers would not have replied to Railway Age's April Freight Traffic Poll as they did.

But the "what" of a case does not always suggest the "whys" of it.

In the view of most (though not all) shippers, the car shortage is directly traceable to the failure of the railroads to purchase sufficient numbers of new cars, on the one hand; and their seeming inability, on the other, to keep existing cars moving on the road rather than tied up in terminals. Railroads are keenly aware of these situations. Despite the fact that they have the lowest rate of return-on-investment of any major private U.S. industry, they are investing more than $1 billion a year in new rolling stock. And there are signs that they are at last coming to grips with the terminal-congestion problem. If they don't succeed, it won't be for lack of trying.

WHAT SHIPPERS CAN DO

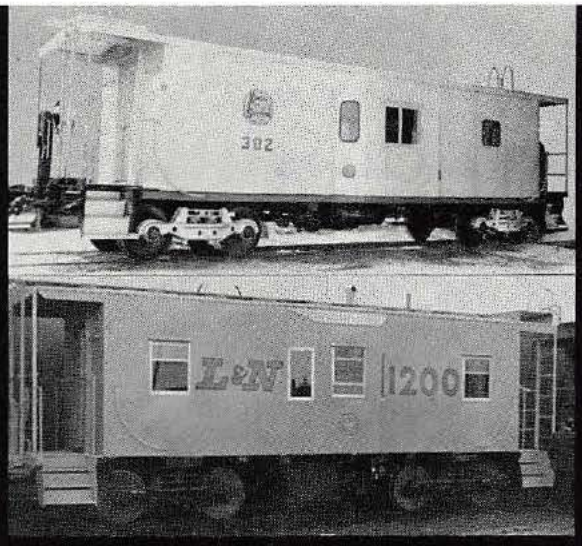
But there is another side of car supply that is the shipper's main responsibility. To mention just three areas where shippers themselves can make a mighty contribution to car supply:

1. **Stop over-ordering.** Chicago & North Western President Larry S. Provo, addressing the Northwest Shippers Advisory Board at Chicago a few days ago, made this startling statement: "I get a report every day, and every day 4,000 grain cars are ordered, and 400 are loaded." This leads to grave dislocations of the fleet, Mr. Provo noted, and he warned his shipper audience: "While you may feel that dislocations are not expensive to you, they really are—because we are all partners in this operation."

2. **Return cars in clean condition.** Southern Pacific President Benjamin F. Biaggini, in a recent talk before the Freight Forwarders Institute at Los Angeles, pointed out that 15% of all cars are released in a dirty, unusable condition. He went on to say: "Southern Pacific alone spends about $15 million a year on cleaning cars. If American railroads could somehow eliminate overnight this car cleaning problem —which is essentially a shipper responsibility—they could boost annual carloadings from the present 28 million to 31.4 million without any increase in the car fleet, and we would all hear far less talk about car shortages."

3. **Stop using cars as warehouses.** Too many shippers find it economical to use car space as storage space. This is especially true of some grain shippers. But a $15,000 car makes a mighty expensive warehouse—especially if you're another shipper who is being deprived of the use of that car.

Car supply is not a one-way street. As Mr. Provo said: "We are all partners." Many shippers know this, and act as if they knew it. Others don't, and spoil things for everybody. It's time that these shippers recognized that a partnership involves more than name-calling.



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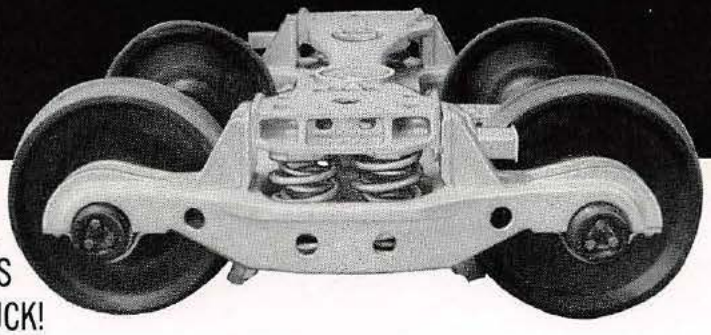

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